

HB 1627-FN-A-LOCAL – AS INTRODUCED

2014 SESSION

14-2553
08/04

HOUSE BILL ***1627-FN-A-LOCAL***

AN ACT relative to video lottery and table gaming.

SPONSORS: Rep. Long, Hills 42; Rep. Rollo, Straf 18; Rep. Elliott, Rock 8; Rep. L. Ober, Hills 37; Rep. Pantelakos, Rock 25; Rep. Azarian, Rock 8; Rep. Weyler, Rock 13; Rep. Hinch, Hills 21; Rep. Spratt, Hills 4; Rep. Campbell, Hills 33

COMMITTEE: Ways and Means

ANALYSIS

This bill:

I. Allows video lottery machines and table games at one gaming location in the state pursuant to a competitive application process.

II. Distributes proceeds of video lottery machines and table games to the municipalities where the facility is located and abutting communities, to support programs to treat problem gambling, and to the education trust fund. Proceeds will also be distributed for highway and bridge projects, higher education, and north country economic development.

III. Establishes a gaming enforcement unit in the division of state police.

IV. Requires the lottery commission to regulate, license, and enforce the provisions for video lottery and table games operated at a gaming location.

V. Creates a commission to study the operation of the licensed gaming location and its effects on the community, and to make recommendations that may include whether to issue additional licenses.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struck through]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to video lottery and table gaming.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Chapter; Video Lottery Machines and Table Games. Amend RSA by inserting after
2 chapter 284-A the following new chapter:

3 CHAPTER 284-B

4 VIDEO LOTTERY MACHINES AND TABLE GAMES

5 284-B:1 Definitions. In this chapter:

6 I. “Affiliated” means a person who directly or indirectly through one or more intermediaries,
7 controls, is controlled by, or is under common control with, a specified person.

8 II. “Applicant” means any person who applies to the lottery commission for a license,
9 certification, registration, or qualification under this chapter, and includes any such person.

10 III. “Associated equipment” means any equipment or mechanical, electromechanical, or
11 electronic contrivance, component, or machine used in connection with video lottery machines and/or
12 table gaming, including linking devices, replacement parts, equipment which affects the proper
13 reporting of gross revenue, computerized systems for controlling and monitoring table games,
14 including, but not limited to, the central computer system, and devices for weighing or counting
15 money.

16 IV. “Cash” means United States currency and coin or foreign currency and coin that have
17 been exchanged for its equivalent in United States currency and coin.

18 V. “Cash equivalent” means an asset that is readily convertible to cash, including, but not
19 limited to, any of the following:

20 (a) Travelers checks.

21 (b) Certified checks, cashier’s checks, and money orders.

22 (c) Personal checks or drafts.

23 (d) Credit extended by the gaming licensee, a recognized credit card company, or a
24 banking institution.

25 (e) Any other instrument that the New Hampshire lottery commission deems a cash
26 equivalent. Other than recognized credit cards or credit extended by the gaming licensee, all
27 instruments that constitute a cash equivalent shall be made payable to the gaming licensee, to the
28 bearer, or to cash. An instrument made payable to a third party shall not be considered a cash
29 equivalent.

30 VI. “Central computer system” means a central monitor and control system provided and
31 monitored by the lottery commission to which video lottery machines communicate for purposes of

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1 information retrieval, retrieval of the win and loss determination from video lottery machines, and
2 programs to activate and disable video lottery machines.

3 VII. "Certificate holder" means a gaming licensee issued a table game operation certificate
4 by the lottery commission to operate the table games at a gaming location.

5 VIII. "Charitable gaming" means games of chance and other gaming as permitted under
6 RSA 287-A, RSA 287-D, and RSA 287-E.

7 IX. "Count room" means the room designated for counting, wrapping, and recording of table
8 game results and storage of cash, coins, tokens, checks, plaques, gaming vouchers, coupons, and
9 other devices or items of value used in wagering and approved by the division that are received in
10 the conduct of gaming and for the inspection, counting and storage of dice, cards, chips, and other
11 representatives of value.

12 X. "Gaming" means the operation of video lottery machines and table games.

13 XI. "Gaming applicant" means the person applying for approval by the lottery commission as
14 a gaming licensee.

15 XII. "Gaming employee" means a person employed in the operation of a gaming location
16 whose employment duties and responsibilities involve the security, maintenance, servicing, repair, or
17 operation of video lottery machines or table game devices. Such employees shall include, without
18 limitation, dealers, floorpersons, video lottery machine personnel, video lottery machine technicians,
19 count room and cage personnel, security and surveillance employees, data processing personnel,
20 employees responsible for handling assets and proceeds associated with the operation of gaming
21 activity, and employees that have input into data regarding complimentaries.

22 XIII. "Gaming license" means the license issued to a gaming licensee to operate table games
23 and video lottery machines at a gaming location pursuant to this chapter.

24 XIV. "Gaming licensee" means the person or entity licensed by the lottery commission to
25 possess, conduct, and operate video lottery machines and table games at a gaming location.

26 XV. "Gaming location" means the premises approved under a gaming license which includes
27 the land, buildings, structures, and any portion thereof approved by the lottery commission as the
28 gaming area and any nongaming structure related to the gaming area.

29 XVI.(a) "Gross table game revenue" means the total of cash or cash equivalent wagers
30 received in the playing of a table game minus the total of:

31 (1) Cash or cash equivalents paid out to patrons as a result of playing a table game;

32 (2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of
33 time as a result of playing a table game;

34 (3) Any personal property distributed to a patron as a result of playing a table game;

35 and

36 (4) Any promotional credits provided to patrons.

37 (b) "Gross table game revenue" shall not include travel expenses, food, refreshments,

1 lodging, or other complimentary services. This term shall not include counterfeit money, tokens, or
2 chips; coins or currency of other countries received in the playing of a table game, except to the
3 extent that they are readily convertible to United States currency; cash taken in a fraudulent act
4 perpetrated against a licensee for which the licensee is not reimbursed; or cash received as entry fees
5 for contests or tournaments in which patrons compete for prizes.

6 XVII. “Holding company” means any corporation, association, firm, partnership, trust, or
7 other form of business organization not a natural person which, directly or indirectly, owns, has the
8 power or right to control, or has the power to vote 5 percent or more of the outstanding voting
9 securities of a corporation or other form of business organization which holds or applies for a gaming
10 license or technology provider license. For purpose of this section, in addition to any other
11 reasonable meaning of the words used, a “holding company” indirectly has, holds, or owns any such
12 power, right or security if it does so through any interest in a subsidiary or successive subsidiaries,
13 however many such subsidiaries may intervene between the holding company and the gaming
14 licensee or technology provider.

15 XVIII. “Impacted live entertainment venue” means a not-for-profit or municipally-owned
16 performance venue designed in whole or in part for the presentation of live concerts, comedy or
17 theatrical performances, which the lottery commission determines experiences, or is likely to
18 experience, a negative impact from the development or operation of a gaming location.

19 XIX. “Key employee” means any individual who is employed in a director or department
20 head capacity and who is authorized to make discretionary decisions that regulate video lottery
21 machine and/or table game operations, including the general manager and assistant manager of the
22 gaming licensee or technology provider, director of operations, director of table games, director of
23 cage or credit operations, director of surveillance, director of marketing, director of management
24 information systems, director of security, comptroller, pit bosses, shift bosses, credit supervisors,
25 cashier supervisors, table game facility managers and assistant managers, and any employee who
26 supervises the operations of these departments or to whom these department directors or
27 department heads report, and such other positions which the lottery commission shall determine
28 based on detailed analyses of job descriptions as provided in the internal controls of the licensee. All
29 other gaming employees shall be considered non-key employees.

30 XX. “Licensee” means any individual or entity required to be licensed pursuant to this
31 chapter.

32 XXI. “Lottery commission” or “commission” means the New Hampshire lottery commission
33 created pursuant to RSA 284:21-a, including the administration and enforcement bureau of the
34 commission created pursuant to RSA 284-B:2.

35 XXII. “Net machine income” means all cash or other consideration utilized to play a video
36 lottery machine at a gaming location, less all cash or other consideration paid to players of video
37 lottery machines as winnings. Noncashable promotional credits shall be excluded from the

1 calculation.

2 XXIII. “Non-key gaming employee” means an employee of a gaming licensee who is not a key
3 employee and is directly connected to the operation or maintenance of a video lottery machine or
4 table game taking place in a gaming location.

5 XXIV. “Person” means an individual, corporation, association, firm, partnership, trust or
6 other form of business entity.

7 XXV. “Progressive jackpot” means a prize that increases over time or as video lottery
8 machines that are linked to a progressive system are played. Upon conditions established by the
9 lottery commission, a progressive jackpot may be paid by annuity.

10 XXVI. “Progressive system” means one or more video lottery machines linked to one or more
11 common progressive jackpots.

12 XXVII. “Request for application” means a request for applications to be submitted by
13 applicants to the lottery commission pursuant to RSA 284-B:11.

14 XXVIII. “Table game” means any banking or percentage game in which there is an
15 opportunity for the player to use his or her reason, foresight, or other strategy to increase the
16 expected return, including roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat,
17 red dog, pai gow, casino war, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold
18 ‘em poker, double attack blackjack, double cross poker, double down stud poker, fast action hold ‘em,
19 flop poker, four card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish
20 21, Texas hold ‘em bonus poker, 3-card poker, 2-card joker poker, ultimate Texas hold ‘em, winner’s
21 pot poker, and sic bo or any multi-station electronic version of the games described in this
22 paragraph, and any other games approved by the lottery commission. The term includes any
23 variations or composites of approved games, provided that the lottery commission determines that
24 the new table game, variations, or composites are suitable for use after an appropriate test or
25 experimental period under such terms and conditions as the lottery commission may deem
26 appropriate, and any other game which the lottery commission determines to be suitable for use in a
27 gaming location after an appropriate test or experimental period as the lottery commission may
28 deem appropriate. The term shall also include gaming contests or tournaments in which players
29 compete against one another in any table game authorized for use in a gaming location by the lottery
30 commission. The term shall not include wagering on pari-mutuel racing regulated by the racing and
31 charitable gaming commission pursuant to RSA 284, raffles regulated pursuant to RSA 287-A,
32 lotteries regulated by the lottery commission pursuant to RSA 284:21-h and RSA 287-F, and bingo
33 and lucky 7 games regulated by the racing and charitable gaming commission pursuant to RSA 287-
34 E. Table games which are operated as games of chance pursuant to RSA 287-D shall not be subject
35 to the provisions of this chapter.

36 XXIX. “Table game device” includes tables, cards, dice, chips, shufflers, tiles, dominoes,
37 wheels, drop boxes, or any mechanical or electrical contrivance, terminal, machine, or other device

1 approved by the commission and used or consumed in operation of or in connection with a table
2 game.

3 XXX. “Table game operation certificate” means a certificate issued by the commission that
4 certifies that the table gaming operation of a gaming licensee conforms to the requirements of this
5 chapter and rules adopted under this chapter and that authorizes a gaming licensee to conduct table
6 games under this chapter.

7 XXXI. “Table game operator” means:

8 (a) “Primary game operator” which means any consultant or any person involved in
9 conducting, managing, supervising, directing, or running the table games at a gaming location and
10 shall include the banker, the auditor, the counter, and persons involved in the cage; or

11 (b) “Secondary game operator” which means any person involved in dealing, running a
12 roulette wheel, or handling chips at a gaming location.

13 XXXII. “Technology provider” means any person or entity which designs, manufactures,
14 builds or rebuilds, programs, installs, modifies, distributes, or supplies video lottery machines or
15 table games for sale or lease to the gaming licensees, and which are for use by a gaming licensee for
16 conducting video lottery games or table games in accordance with this chapter.

17 XXXIII. “Technology provider license” means the license issued by the lottery commission to
18 a technology provider licensee which allows the technology provider licensee to design, manufacture,
19 install, distribute, or supply video lottery machines and/or table game devices for sale or lease to a
20 gaming licensee.

21 XXXIV. “Technology provider licensee” means a technology provider that is licensed by the
22 lottery commission.

23 XXXV. “Token” means the coin or coupon, which is not legal tender, sold by a cashier in a
24 face amount equal to the cash paid by a player for the sole purpose of playing a video lottery machine
25 at the gaming location or paid to a player of a video lottery machine, which can be exchanged for
26 cash at the gaming location.

27 XXXVI. “Video lottery” means any lottery conducted with a video lottery machine or linked
28 video lottery machines with a progressive jackpot or progressive system. Video lottery conducted
29 pursuant to this chapter shall not be considered a state-run lottery.

30 XXXVII. “Video lottery machine” means an electronic, mechanical, or computerized machine
31 which, upon the insertion of bills, coins, tokens, or any cash equivalent is available to be played
32 where, by chance or skill, or both, the player may receive cash, cash equivalents, or tokens. Video
33 lottery machines include, but are not limited to, slot machines, video poker machines, and other
34 lottery machines. A machine shall be considered a video lottery machine notwithstanding the use of
35 an electronic credit system making the deposit of bills, coins, or tokens unnecessary. Video lottery
36 machines shall not include any redemption slot machines and redemption poker machines as defined
37 in RSA 647:2 or video poker machines or other similar machines used for amusement purposes only.

1 284-B:2 Gaming Oversight and Regulation; Lottery Commission; Bureau of Administration and
2 Enforcement; Attorney General.

3 I. The lottery commission shall have general responsibility for the implementation of this
4 chapter. The lottery commission shall have the exclusive authority to license any and all licensees
5 under this chapter and to regulate the installation, operation, and conduct of video lottery machines
6 and table games. The lottery commission shall only issue licenses to persons who operate video
7 lottery machines and table games at a gaming location meeting the requirements of this chapter.

8 II. There shall be established within the lottery commission an administration and
9 enforcement bureau, which shall be the primary enforcement agent for regulatory matters under this
10 chapter. The bureau shall perform such functions as the commissioners may determine from time to
11 time in relation to the administration and enforcement of this chapter, including the enforcement of
12 violations of this chapter. The bureau shall be under the control of the director of administration
13 and enforcement, who shall be appointed by the commissioners and shall report to the executive
14 director of the lottery commission. The director shall be the executive and administrative head of
15 the bureau and shall be responsible for administering the duties of the bureau and any
16 administrative units created within the bureau. The bureau shall cooperate with the attorney
17 general and the gaming enforcement unit of the division of state police in the enforcement of this
18 chapter.

19 III.(a) The attorney general shall have independent authority on his or her motion to take
20 such actions as may be necessary in his or her judgment to ensure compliance with the provisions of
21 this chapter, including but not limited to:

- 22 (1) Conducting such background investigations as may be necessary;
- 23 (2) Investigating and prosecuting allegations of criminal activity or civil law
24 violations related to or impacting the operation of gaming establishments or games;
- 25 (3) Receiving and taking appropriate action on referrals for criminal prosecution or
26 civil law enforcement from the lottery commission, the bureau, or any other law enforcement body;
- 27 (4) Providing advice and assistance, upon request or on his or her motion, to the
28 lottery commission in the consideration and promulgation of rules and regulations; and
- 29 (5) Recommending persons to be placed on a list of excluded persons to be
30 maintained by the lottery commission.

31 (b) The lottery commission and the division of state police shall notify the attorney
32 general of any known or suspected criminal or civil law violations that are related in any way to
33 implementation and enforcement of the provisions of this chapter.

34 (c) The lottery commission and the division of state police shall cooperate with the
35 attorney general on the regulatory and criminal implementation and enforcement of this chapter.

36 (d) Notwithstanding any provisions relating to the confidentiality of any information
37 acquired under this chapter, the lottery commission and the state police shall share such information

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1 with the attorney general as may be deemed necessary by the attorney general to ensure compliance
2 with the provisions of this chapter.

3 284-B:3 Rulemaking.

4 I. The lottery commission shall adopt rules, that include as a minimum guidance from the
5 International Association of Gaming Regulators, under RSA 541-A, relative to:

6 (a) License renewals, and making recommendations for the suspension or revocation of
7 any license issued under this chapter.

8 (b) Conducting all investigations in conjunction with the attorney general required
9 under this chapter with regard to the application of any applicant for any license.

10 (c) Conducting hearings pertaining to civil violations, rules, and penalties required
11 under this chapter.

12 (d) Establishing standards for licensure and a reasonable fee structure for the licensing
13 and renewal of licenses for gaming licensees and technology providers consistent with this chapter.

14 (e) Establishing technical standards for approval of video lottery machines, including
15 mechanical and electrical reliability and security against tampering, as deemed necessary to protect
16 the public from fraud or deception and to insure the integrity of the operation.

17 (f) Establishing a process for registering of non-key gaming employees.

18 (g) Ensuring that all licensees update the lottery commission with regard to any change
19 in ownership or material change in information or data regarding the licensee that the commission
20 determines is necessary and appropriate.

21 (h) Prescribing procedures for the fingerprinting of an applicant, key employee, or
22 employee of a licensee, or other methods of identification which may be necessary in the judgment of
23 the lottery commission to accomplish effective enforcement of restrictions to access to the gaming
24 location.

25 (i) Prescribing the manner and procedure of all hearings conducted by the lottery
26 commission or any hearing examiner, including special rules of evidence applicable thereto and
27 notices thereof.

28 (j) Prescribing the method of collection of payments of taxes, fees, and penalties.

29 (k) Defining and limiting the areas of operation, the rules of authorized games, odds, and
30 devices permitted, and the method of operation of such games and devices.

31 (l) Prescribing grounds and procedures for the issuing of sanctions, including but not
32 limited to, the revocation or suspension of licenses.

33 (m) Governing the manufacture, distribution, sale, and servicing of video lottery
34 machines and table game devices and associated equipment.

35 (n) Prescribing minimum procedures for the exercise of effective control over the internal
36 fiscal affairs of a gaming licensee, including provisions for the safeguarding of assets and revenues,
37 the recording of cash and evidence of indebtedness, and the maintenance of reliable records,

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1 accounts, and reports of transactions, operations, and events, including reports to the lottery
2 commission.

3 (o) Providing for a minimum standard of accountancy methods, procedures, and forms; a
4 uniform code of accounts and accounting classifications; and such other standard operating
5 procedures as may be necessary to assure consistency, comparability, and effective disclosure of all
6 financial information.

7 (p) Requiring quarterly financial reports and the form thereof, and an annual audit
8 prepared by a certified public accountant licensed to do business in this state, attesting to the
9 financial condition of a licensee and disclosing whether the accounts, records, and control procedures
10 examined are maintained by the licensee as required by this chapter.

11 (q) Governing the gaming-related advertising of gaming licensees and their employees
12 and agents, with the view toward assuring that such advertisements are in no way deceptive and
13 promote the purposes of this chapter; provided, however, that such rules shall require the words “Bet
14 with your head, not over it,” or some comparable language approved by the lottery commission, to
15 appear on all billboards, signs, and other on-site advertising of a licensee operation and shall require
16 the words “If you or someone you know has a gambling problem and wants help, call 1-800-
17 GAMBLER,” or some comparable language approved by the lottery commission, provided such
18 language shall include the words “gambling problem” and “call 1-800-GAMBLER,” which shall
19 appear legibly on all print, billboard, and sign advertising of a gaming location, provided further that
20 such rules shall require the licensee to cooperate with the department of resources and economic
21 development in developing and conducting advertising consistent with the department’s power and
22 duty to plan and conduct a program of information and publicity to attract tourists, visitors,
23 industrial concerns and other interested persons from outside the state to the state of
24 New Hampshire, to publicize the family-friendly attributes and natural beauty of the state, and to
25 encourage, coordinate, and participate in the efforts of other public and private organizations or
26 groups of citizens in order to publicize the facilities, industrial advantages, and other attractions of
27 the state for the same purposes.

28 (r) Providing for the establishment and maintenance by the lottery commission of a list
29 of persons who are to be excluded or ejected from any gaming location, because the person’s criminal
30 background or presence in a gaming location would be, in the opinion of the lottery commission,
31 inimical to the interests of the state, including standards relating to persons to be excluded, and
32 providing for a self-exclusion program to be established by gaming licensees, whereby persons who
33 are problem gamblers can be excluded or ejected from a gaming location.

34 (s) Establishing the licensing process and approval process for selecting the provider of
35 the central computer system.

36 (t) Regulating the operation of table games consistent with RSA 284-B:19, including
37 requiring proper accountability controls to ensure game integrity.

1 (u) Monitoring the conduct of licensees and their principals and owners for the purpose
2 of ensuring that licenses are not issued to or held by, or that there is no direct or indirect material
3 support of a licensee, by, a person who has not been deemed not fit for gaming under this chapter.

4 (v) Gathering facts and information applicable to the lottery commission's obligation to
5 enforce this chapter, including but not limited to, any information or evidence that a violation of this
6 chapter has occurred.

7 (w) Requiring a licensee to issue an annual report to the lottery commission explicitly
8 stating its progress on meeting each of the stated goals and stipulations put forth in the licensee's
9 original application. Inability to meet stated goals within a reasonable time frame, as determined by
10 the lottery commission, shall result in additional fees as deemed fair and reasonable by the lottery
11 commission. Failure to meet stated goals may also result in revocation of the license at any time by
12 the lottery commission pursuant to the process set forth in this chapter. Nothing in this section
13 shall preclude the lottery commission at any time from reviewing the business operations of a
14 gaming licensee to ensure that the conditions of licensure are being met including, but not limited to,
15 the suitability of the gaming licensee and any affiliates and the fiscal stability of the gaming
16 establishment.

17 (x) Providing for the conditioning, suspension, or revocation of a gaming license upon a
18 finding that a licensee:

19 (1) Has committed a criminal or civil offense under this chapter or under any other
20 laws of the state of New Hampshire;

21 (2) Is not in compliance with gaming regulations or is under criminal investigation
22 in another jurisdiction;

23 (3) Has breached a condition of licensure;

24 (4) Has affiliates, close associates, or employees that are not qualified or licensed
25 under this chapter with whom the gaming licensee continues to conduct business or employ;

26 (5) Is no longer capable of maintaining operations at a gaming establishment; or

27 (6) Whose business practice, upon a determination by the commission, is injurious to
28 the policy objectives of this chapter.

29 (y) Requiring the licensee to comply with state and local building codes, local zoning
30 ordinances and bylaws, and any other applicable land use regulations.

31 (z) Governing the issuance of credit to a patron of a gaming establishment including, but
32 not be limited to:

33 (1) Procedures for confirming that a patron has an established credit history and is
34 in good standing;

35 (2) Whether the patron has a good credit history with the gaming establishment;

36 (3) Authorization of any credit instrument;

37 (4) Methods for acknowledging a credit instrument and payment of debt; and

1 (5) Information to be provided by the patron to the gaming establishment to be
2 shared with the commission for auditing purposes. Except as otherwise authorized by the
3 commission through its rules under this chapter, no gaming establishment, nor any person acting on
4 behalf of the gaming establishment, shall cash any check, make any loan or otherwise provide or
5 allow to any person any credit or advance of anything of value, or which represents value, to enable
6 that person to place a wager, or release or discharge any debt, either in whole or in part, or make
7 any loan which represents any losses incurred by a player in gaming or simulcast wagering activity,
8 without maintaining a written record of such credit or advance in accordance with the rules of the
9 commission. Nothing in this subparagraph shall permit a gaming establishment to allow the use of
10 credit cards on the gaming floor as direct inputs into video lottery machines nor in placing wagers at
11 gaming tables nor shall anything in this subparagraph prohibit a gaming establishment from
12 accepting credit cards for non-gaming-related purchases or services.

13 (aa) Designating impacted live entertainment venues and establishing standards for
14 monitoring and enforcing a gaming licensee’s agreement with impacted live entertainment venues;
15 provided however, that, in making such designations and standards, the commission shall consider
16 factors including, but not limited to, the venue’s distance from the gaming establishment, venue
17 capacity and the type of performances offered by that venue.

18 II. The lottery commission shall initiate the rulemaking process immediately upon the
19 effective date of this chapter. Rules governing the application and licensing process shall be adopted
20 within 120 days of the effective date of this chapter and prior to issuance of any requests for
21 applications. Final rules shall be adopted within one year of the effective date of this chapter and
22 prior to the date applications for gaming or technology providers are due. The lottery commission
23 may, in its discretion, initiate rulemaking in 2 phases by relying on the interim rulemaking
24 authority in RSA 541-A:19 to facilitate the application and licensing process.

25 284-B:4 Duties and Authority of the Lottery Commission.

26 I. The lottery commission, with the assistance and cooperation of the attorney general and
27 the division of state police gaming enforcement unit, shall administer and enforce the provisions of
28 this chapter.

29 II. The lottery commission shall have the authority to request any and all records
30 maintained by local, municipal, state, or federal agencies relative to gaming applicants or gaming
31 licensees.

32 III. The lottery commission shall have the authority to issue subpoenas and compel the
33 attendance of witnesses, to administer oaths, and to require testimony under oath.

34 IV. The lottery commission shall not waive or otherwise extend any timelines specified in
35 this chapter except upon a written finding of facts supporting its conclusion that no alternative
36 course of action is available and that the waiver or extension is necessary to accomplish the purposes
37 of this chapter.

1 V. The lottery commission shall:

2 (a) Collect all license fees imposed upon any applicant and all taxes imposed by
3 RSA 284-B.

4 (b) Certify net machine income and gross table game revenue by inspecting records,
5 conducting audits, or having its agents on site, or by any other reasonable means.

6 (c) Require gaming licensees to submit all contracts for services where the annual
7 amount to be expended by the gaming licensee is over \$500,000 to the lottery commission, and
8 provide any further information to the lottery commission regarding vendors and suppliers as is
9 requested.

10 (d) Require all holders of gaming licenses issued by the lottery commission pursuant to
11 RSA 284-B to maintain a system of internal controls. At a minimum, the licensee’s proposed system
12 of internal controls shall:

13 (1) Safeguard its assets and revenues, including, but not limited to the recording of
14 cash and evidences of indebtedness related to the video lottery machines and table games.

15 (2) Provide for reliable records, accounts, and reports of any financial event that
16 occurs in the operation of a video lottery machine and table games.

17 (3) Ensure that each video lottery machine directly provides or communicates all
18 required activities and financial details to the central computer system.

19 (4) Provide for accurate and reliable financial records.

20 (5) Ensure any financial event that occurs in the operation of a video lottery machine
21 or table game is performed only in accordance with the management’s general or specific
22 authorization.

23 (6) Ensure that any financial event that occurs in the operation of a video lottery
24 machine is recorded adequately to permit proper and timely reporting of net machine income and the
25 calculation thereof and the related fees and taxes.

26 (7) Ensure that access to assets is permitted only in accordance with management’s
27 specific authorization.

28 (8) Ensure that recorded accountability for assets is compared with actual assets at
29 reasonable intervals and appropriate action is taken with respect to any discrepancies.

30 (9) Ensure that all functions, duties, and responsibilities are appropriately
31 segregated and performed in accordance with sound financial practices by qualified personnel.

32 (e) Establish technical standards for approval of video lottery machines, including
33 mechanical and electrical reliability and security against tampering, as it may deem necessary to
34 protect the public from fraud or deception and to ensure the integrity of their operation.

35 (f) Require all holders of licenses issued by the lottery commission pursuant to RSA 284-
36 B to comply with any exclusion program established by the lottery commission and maintained
37 pursuant to RSA 284-B:3, I(r) and to establish and implement a self-exclusion program whereby a

1 person who acknowledges that he or she is a problem gambler and who requests to be placed on a
2 self-exclusion list shall be excluded or ejected from a licensed facility.

3 (g) A gaming licensee shall meet with municipally-owned, not-for-profit, and other
4 entertainment venues located in the state of New Hampshire to discuss a mitigation plan which may
5 include, but shall not be limited to, agreements regarding event scheduling, promotions, ticket
6 prices, marketing and other operations which may impact the viability of such entertainment
7 venues. The commission shall encourage the establishment of such a mitigation plan through fair
8 and reasonable discussion.

9 VI.(a) The lottery commission shall establish a code of ethics for all commissioners and
10 employees of the lottery commission. A copy of the code shall be filed with the attorney general's
11 office. The code shall include provisions reasonably necessary to carry out the purposes of this
12 chapter and any other laws subject to the jurisdiction of the commission including, but not limited to:

13 (1) Prohibiting the receipt of any discount, gift, gratuity, compensation, travel,
14 lodging, or other thing of value, directly or indirectly, by commissioners and employees from any
15 gaming licensee or gaming vendor licensee or applicant or other person subject to the jurisdiction of
16 the commission;

17 (2) Prohibiting the participation by commissioners and employees in a particular
18 matter that affects the financial interest of the commissioner or employee or of a relative of the
19 commissioner or employee;

20 (3) Providing for recusal of a commissioner in a licensing decision due to a potential
21 conflict of interest; and

22 (4) Prohibiting the solicitation of funds for any charitable, educational, religious,
23 health, fraternal, civic, or other nonprofit entity from any gaming licensee or gaming vendor licensee
24 or applicant or other person subject to the jurisdiction of the commission.

25 (b) Immediately upon assuming office, each commissioner and employee of the
26 commission shall swear or affirm that the commissioner or employee possesses no interest in a
27 person licensed under this chapter. No individual shall be employed by the commission if, during
28 the period commencing 3 years prior to employment, that individual held any direct or indirect
29 interest in, or was employed by, a licensee under this chapter. No commissioner shall hold a direct
30 or indirect interest in, or be employed by, an applicant or by a person licensed by the commission for
31 a period of 3 years after the termination of employment with the commission.

32 (c) No employee of the commission holding a major policymaking position shall acquire
33 an interest in, or accept employment with, an applicant or licensee for a period of 2 years after the
34 termination of employment with the commission.

35 (d) No employee of the commission in a non-major policymaking position shall acquire
36 an interest in, or accept employment with, an applicant or licensee for a period of one year after the
37 termination of employment with the commission.

1 (e) Notwithstanding the provisions of subparagraphs (a)-(d), if the employment of a
2 commission employee holding a major policymaking position at any time during the 5 years
3 preceding a termination, is terminated as a result of a reduction in the workforce of the commission,
4 the employee may, after one year following the termination of employment with the commission,
5 accept employment with any applicant or person licensed under this chapter upon application to and
6 with the prior approval of the commission, upon a finding that the employment will not create the
7 appearance of a conflict of interest and does not evidence a conflict of interest in fact. The
8 commission shall act upon an application within 30 days of receipt.

9 (f) No commissioner or employee, other than in the performance of the commissioner's or
10 employee's official duties, shall place a wager in a gaming location. The commissioners and those
11 employees holding major policymaking positions shall be sworn to the faithful performance of their
12 official duties. The commissioners and those employees holding major policymaking positions shall:

13 (1) Conduct themselves in a manner so as to render decisions that are fair and
14 impartial and in the public interest;

15 (2) Avoid impropriety and the appearance of impropriety in all matters under their
16 jurisdiction;

17 (3) Avoid all prohibited communications;

18 (4) Require staff and personnel subject to their direction and control to observe the
19 same standards of fidelity and diligence;

20 (5) Disqualify themselves from proceedings in which their impartiality might
21 reasonably be questioned; and

22 (6) Refrain from financial or business dealings which would tend to reflect adversely
23 on impartiality.

24 (g) The commissioners and employees shall not own, or be in the employ of, or own any
25 stock in, a business which holds a license under this chapter, nor shall they have, directly or
26 indirectly, a pecuniary interest in, or be connected with, any such business or be in the employ of or
27 connected with any person financing any such business; provided, however, that immediate family
28 members of commissioners and employees holding major policymaking positions shall not own, or be
29 in the employ of, or own stock in, any business which holds a license under this chapter. The
30 commissioners and employees shall not personally, or through a partner or agent, render
31 professional services or make or perform any business contract with or for any regulated entity,
32 except contracts made with the commissioners for the furnishing of services, nor shall the
33 commissioners or employees directly or indirectly receive any commission, bonus, discount, gift, or
34 reward from a regulated entity. In this paragraph, the term "immediate family member" means the
35 mother, father, brother, sister, or child of an individual. In this paragraph, the term "major
36 policymaking position" means the executive director of the lottery commission, the director of the
37 bureau of administration and enforcement, and any individual who reports directly to the director of

1 the bureau of administration and enforcement within the lottery commission.

2 284-B:5 Central Computer System.

3 I. The lottery commission shall provide and operate a central computer system into which all
4 licensed video lottery machines shall be connected.

5 II. The central computer system shall be capable of:

6 (a) Continuously monitoring, retrieving, and auditing the operations, financial data, and
7 program information of all video lottery machines;

8 (b) Allowing the lottery commission to account for all money inserted in and payouts
9 made from any video lottery machine;

10 (c) Disabling from operation or play any video lottery machine as the lottery commission
11 deems necessary to carry out the provisions of this chapter;

12 (d) Supporting and monitoring a progressive jackpot system capable of operating one or
13 more progressive jackpots; and

14 (e) Providing any other function that the lottery commission considers necessary.

15 III. The central computer system shall employ a widely accepted gaming industry
16 communications protocol, as approved by the Gaming Standards Association, to facilitate the ability
17 of video lottery machine manufacturers to communicate with the central computer system.

18 IV.(a) Except as provided in subparagraph (b), the lottery commission shall not allow a
19 gaming licensee to have access to, or obtain information from, the central computer system.

20 (b) If the access does not in any way affect the integrity or security of the central
21 computer system, the lottery commission may allow a gaming licensee to have access to the central
22 computer system that allows the licensee to obtain information pertinent to the legitimate operation
23 of its video lottery machines.

24 284-B:6 Records; Confidentiality.

25 I. The lottery commission shall keep and maintain a list of all applicants for licenses it
26 receives under this chapter, together with a record of all action taken with respect to such
27 applicants. Except as provided in paragraph IV, a file, including the criminal records of each
28 applicant, its officers, directors, partners, members, shareholders, and key employees, and record of
29 the actions of the lottery commission shall be open to public inspection; provided, however, that
30 information regarding any applicant whose license or registration has been denied, revoked, or not
31 renewed shall be removed from the list after 5 years from the date of such action.

32 II. The lottery commission shall publish on the commission's Internet website a complete list
33 of all persons or entities who applied for or held a license, certificate, or approval pursuant to this
34 chapter, or racetrack license at any time during the preceding calendar year and all affiliates,
35 intermediaries, subsidiaries, and holding companies thereof and the status of the application or
36 license, however, information regarding any applicant whose approval or certificate has been denied,
37 revoked or not renewed shall be removed from such list after 5 years from the date of such action.

1 III. The lottery commission shall maintain such other files and records as the commission
2 determines are necessary. All records maintained by the lottery commission may be maintained in
3 digital or other format, provided that such information can be produced in written form upon the
4 request of the commission.

5 IV. All personal and financial proprietary information and data of an applicant, its officers,
6 directors, partners, members, shareholders, or key employees, other than their criminal records,
7 required by the lottery commission to be furnished to it, or which may otherwise be obtained, shall
8 be considered confidential and shall not be disclosed in whole or in part except in the course of the
9 necessary administration of this chapter, or upon the lawful order of a court of competent
10 jurisdiction, or, with the approval of the attorney general, to a duly authorized law enforcement
11 agency. Notwithstanding this paragraph, the state police may share information with the lottery
12 commission and the attorney general as is appropriate under this chapter.

13 V. All records, information, or data maintained or kept by the lottery commission may be
14 maintained or kept at the office of the gaming enforcement unit.

15 VI. Notice of the contents of any information or data to be released consistent with
16 paragraph IV, except to a duly authorized law enforcement agency, shall be given to any applicant or
17 licensee in a manner prescribed by the rules adopted by the lottery commission so that the applicant
18 or licensee has the opportunity to object to such release.

19 VII. With regard to meetings, minutes, and records of the lottery commission, the lottery
20 commission shall notice all proceedings and shall make and keep a record of all proceedings held at
21 public meetings of the lottery commission. A verbatim transcript of those proceedings shall be
22 prepared by the lottery commission upon the request of any commissioner or upon the request of any
23 other person and the payment by that person of the costs of preparation. A copy of the transcript
24 shall be made available to any person upon request and payment of the costs of preparing the copy.

25 284-B:7 Employees and Contractors.

26 I. The lottery commission, the attorney general, or the division of state police gaming
27 enforcement unit may from time to time contract for such financial, economic, or security
28 consultants, and any other technical and professional services as it deems necessary for the
29 discharge of its duties.

30 II. The lottery commission may employ certain assistants, and contract with certain
31 individuals or entities experienced in the regulation of gaming to carry out the provisions of this
32 section and RSA 284-B. Such assistants and employees shall receive compensation at rates to be
33 established by the department of administrative services, division of personnel.

34 III. Compensation of assistants, employees, and contractors shall be funded by proceeds paid
35 or received by the lottery commission pursuant to RSA 284-B.

36 IV. No employee or contractor of the lottery commission shall have any pecuniary or other
37 interest whatsoever in any supplier or agent to the commission or in any gaming location or license

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1 licensed under RSA 284-B and shall be subject to the code of ethics established by the lottery
2 commission pursuant to RSA 284-B:4, V.

3 284-B:8 Annual Report.

4 I. No later than November 1 of each calendar year, the lottery commission shall provide a
5 report to the fiscal committee of the general court regarding the generation of revenues of video
6 lottery machines and table games by licensees.

7 II. The legislative budget assistant and any expert consultants hired to assist the legislative
8 budget assistant in carrying out his or her duties, shall have access to any information, including
9 confidential information, the legislative budget assistant may request for the purpose of conducting
10 audits of the lottery commission pursuant to RSA 14:31-a. If the legislative budget assistant or any
11 expert consultant requires access to confidential information, the lottery commission shall furnish
12 the information and the legislative budget assistant or any expert consultant shall be subject to the
13 same restrictions and penalties regarding the disclosure of the information as the original custodian
14 of the information. This paragraph shall not be construed to authorize disclosure to any member of
15 the legislature. Any confidential information provided to the legislative budget assistant under this
16 section shall be subject to the provisions of RSA 14:31, IV.

17 284-B:9 Number of Gaming Licenses. The lottery commission shall review, select, and grant a
18 license for one gaming location. The gaming licensee shall operate no more than 150 table games
19 under RSA 284-B:12 and no more than 5,000 video lottery machines at its gaming location.

20 284-B:10 Procedures for Adoption by Local Community.

21 I. Any municipality in which a gaming location is or proposes to be situated may adopt the
22 provisions of RSA 284-B to allow the operation of video lottery machines and table games at a
23 specific location in the following manner:

24 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
25 questions shall be placed on the warrant of an annual or special town meeting, by the governing
26 body or by petition pursuant to RSA 39:3.

27 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, upon
28 request of a gaming applicant to authorize the operation of video lottery machines and table games
29 at a specific location within the municipality in accordance with the provisions of RSA 284-B, the
30 governing body shall place the question on the ballot to be voted upon at the next regularly
31 scheduled municipal or biennial election unless such election is more than 90 days from the request.
32 In such circumstance, the governing body shall place the question on the ballot for a special election
33 called for the purpose of voting on said question and which special election shall occur within 75 days
34 after the request is made. Such special election shall be held at the usual ward polling places by the
35 regular election officials.

36 (c) In any unincorporated place, and notwithstanding any other provision of law to the
37 contrary, upon the request of a gaming applicant to authorize the operation of video lottery machines

1 and table games at a specific location within the unincorporated place to either the moderator of the
2 unincorporated place if the unincorporated place is organized to vote pursuant to RSA 668:1, or the
3 clerk of the designated town if the unincorporated place is not organized for voting as provided in
4 RSA 668:2, and the moderator or the clerk shall place the question on the ballot to be voted upon at
5 the next regularly scheduled biennial election. The ballot shall be given to the individuals who are
6 domiciled in such unincorporated place who are registered to vote.

7 (d) If a majority of those voting on the question vote “Yes,” RSA 284-B shall apply in
8 such town or city and the operation of video lottery machines and table games shall be permitted at a
9 specific location within such town, city, or unincorporated place in accordance with RSA 284-B. If a
10 majority of those voting on the question vote “No” the question may be voted on at a subsequent time
11 in accordance with this section provided, however, the town may consider the question at no more
12 than one special meeting and the annual town meeting in the same calendar year after a “No” vote.
13 A city or town subject to subparagraph (b) may consider the question at no more than one special
14 election and a regular municipal or biennial election in the same calendar year after a “No” vote.

15 (e) The wording of the question shall be substantially as follows: “Shall we adopt the
16 provisions of RSA 284-B allowing the operation of video lottery machines and table games at [insert
17 the name of the proposed gaming location] located within the [insert name of town, city, or
18 unincorporated place]”?

19 II. When a gaming licensee requests a town, city, or unincorporated place to act under
20 paragraph I, the gaming licensee shall pay all costs associated with carrying out the actions under
21 this section.

22 284-B:11 Schedule for License Applications; Requests for Application.

23 I. In order to facilitate the timely and orderly deployment of licensed gaming operations in
24 New Hampshire, the lottery commission shall adopt a schedule by which applications for gaming
25 licenses and technology provider licenses shall be accepted, reviewed, granted, or denied in
26 accordance with the provisions of this section.

27 II. The lottery commission shall issue a request for applications for a gaming license within
28 30 days of the publication of rules governing the application and licensing process. The requests for
29 applications shall require all applications to be submitted no later than 120 days after the
30 publication of the request, provided, however, that an applicant who has paid the full application fee
31 may seek one extension from the lottery commission of up to 30 days for good cause shown.
32 Applications received after the deadline shall not be reviewed by the lottery commission. The lottery
33 commission shall approve, approve with conditions, or deny all applications submitted, in accordance
34 with the provisions of this chapter.

35 III. Requests for applications pursuant to paragraph II of this section shall be advertised in
36 a newspaper of general circulation in the state, in Commerce Business Daily or an equivalent
37 publication, and on the official internet website of the lottery commission.

1 284-B:12 Gaming License Applications; Requirements.

2 I. A gaming applicant shall obtain a gaming license from the lottery commission to possess,
3 conduct, and operate video lottery machines and table games as follows:

4 (a) An applicant shall complete and sign an application on forms, in a manner and
5 providing the information prescribed by the lottery commission.

6 (b) The applicant shall include in the application any and all information requested by
7 the lottery commission, including but not limited to, information regarding:

8 (1) The applicant's criminal history background including authorization for a
9 criminal background and records check, and an attested disclosure of all arrests and citations for
10 nontraffic offenses;

11 (2) Civil actions to which the applicant was a party during the past 15 years;

12 (3) The applicant's financial affairs, including evidence of financial stability as
13 documented by bank references, business and personal income and disbursement schedules, tax
14 returns and other reports filed by government agencies, business and personal accounting check
15 records and ledgers and other relevant source documents. The lottery commission may require
16 evidence of the financial affairs to be provided on a multi-jurisdictional personal history disclosure
17 form;

18 (4) The full name, address, date of birth, and other personal identifying information
19 of the applicant and all key employees;

20 (5) If a corporation or other form of business enterprise, the information listed in
21 subparagraphs (b)(1)-(4) shall be provided with respect to each partner, trustee, officer, and director,
22 and any shareholder, limited liability company member, or other holder who owns more than 5
23 percent of the legal or beneficial interests of such entity, as well as the name of the state under the
24 laws of which the corporation or business enterprise is formed or incorporated and the location of its
25 principal place of business;

26 (6) The identity of the owners of the gaming location, if other than the applicant,
27 along with information listed in subparagraphs (b)(1)-(4) shall be provided with respect to each
28 owner, partner, principal, trustee, officer, and director, and any shareholder, limited liability
29 company member, or other holder who owns more than 5 percent of the legal or beneficial interest of
30 such gaming location. If the owner of the gaming location is not an affiliate of the applicant, the
31 applicant shall also submit a copy of the proposed lease agreement and executed letter of intent to
32 operate between the owner of the gaming location and the applicant;

33 (7) Information and documentation demonstrating by clear and convincing evidence
34 the applicant's financial stability including, but not limited to, bank references, business and
35 personal income and disbursement schedules, tax returns and other reports filed by government
36 agencies and business and personal accounting check records and ledgers. The applicant shall
37 include with its application the disclosure of all contributions, donations, loans or any other financial

1 transactions to or from the applicant and any affiliated gaming entity or operator in the past 5 years;

2 (8) Information and documentation demonstrating by clear and convincing evidence
3 that the applicant has sufficient business ability and experience to establish and maintain successful
4 gaming operations, including, but not limited to, information demonstrating the experience of the
5 applicant in developing, constructing, and managing a similar gaming enterprise. If the applicant or
6 any principal has held or holds a gaming or video lottery machine license in a jurisdiction where
7 video lottery machine activities are permitted, the applicant shall so state and shall produce either a
8 letter of reference from the gaming or lottery enforcement or control agency in such jurisdiction
9 which sets forth the experience of that agency with the applicant, the applicant's associates and
10 gaming operations, or a statement under oath that the applicant is or was during the period of
11 licensure conducting gaming activities in good standing with the agency;

12 (9) Applicants for gaming licenses and gaming licensees shall demonstrate their
13 commitment to efforts to combat compulsive gambling, including efforts directed at prevention,
14 intervention, treatment and research, and a dedication to community mitigation, and shall recognize
15 that the privilege of licensure bears a responsibility to identify, address and minimize any potential
16 negative consequences of their business operations;

17 (10) Applicants shall take all appropriate actions required to mitigate the potential
18 negative public health consequences associated with gambling and the operation of a gaming
19 establishment, including:

20 (A) Maintaining a smoke-free environment within the gaming establishment
21 consistent with RSA 155:66;

22 (B) Providing complimentary on-site space for an independent substance abuse
23 and mental health counseling service to be selected by the lottery commission;

24 (C) Prominently displaying information on the signs of problem gambling and
25 how to access assistance;

26 (D) Describing a process for individuals to exclude their names and contact
27 information from a gaming licensee's database or any other list held by the gaming licensee for use
28 in marketing or promotional communications and, in general, for full implementation of the self-
29 exclusion program specified in the commission's rules; and

30 (E) Instituting other public health strategies as determined by the lottery
31 commission; and

32 (11) Applicants shall provide a workforce development plan that incorporates an
33 affirmative action program by which the applicant guarantees to provide equal opportunities to all
34 employees qualified for licensure in all employment categories, including person with disabilities;
35 provides an accurate estimate and encouragement of the utilization of the existing labor force in New
36 Hampshire; provides an accurate estimate of the number of construction jobs the gaming
37 establishment will generate; provides an equal opportunity plan for those construction jobs, as

1 delivered by a contractor or subcontractor, that includes specific goals for utilization of women,
2 minorities, and veterans; identifies and describes workforce training programs offered by the gaming
3 establishment; identifies a method for assessing the quality and diversity of employment at the
4 gaming establishment; and provides a plan for funding and maintaining human resource hiring,
5 training, and management practices that promote the development of a skilled and diverse
6 workforce.

7 (12) The applicant’s plan for providing child care for children of patrons and
8 employees.

9 (c) The application shall be accompanied by a complete description of the proposed
10 project and include the following:

11 (1) A complete description of the gaming location, including the designs for the
12 proposed gaming establishment, the names and addresses of the architects, engineers, and
13 designers, a timeline of construction that includes detailed stages of construction for the gaming
14 establishment, non-gaming structures, and racecourse, where applicable, and a description of the
15 ability of the applicant to comply with statutory, regulatory, and technical standards applicable to
16 the design of the proposed gaming location;

17 (2) Identification of the type and number of video lottery machines, and type and
18 number of table games, and the specific location of the games in the proposed gaming establishment
19 consistent with this chapter;

20 (3) The availability of space in the facility and proposed details of the space for
21 charitable gaming to take place under RSA 287-D;

22 (4) The names, and verified good character and integrity of proposed vendors of
23 gaming equipment;

24 (5) A description of the supporting amenities and ancillary entertainment services to
25 be provided at the proposed gaming establishment, including the number of hotels and rooms, if any,
26 restaurants and other amenities located at the proposed gaming establishment and how they
27 measure in quality to other area amenities;

28 (6) The number of employees to be employed at the proposed gaming establishment,
29 including detailed information on the projected pay rate and benefits for employees;

30 (7) The site of the proposed gaming location, which shall include the address, maps,
31 book and page numbers from the appropriate registry of deeds, assessed value of the land at the time
32 of application, and identification of all interests, options and agreements in the gaming location; and

33 (8) Information regarding the minimum total capital investment required pursuant
34 to RSA 284-B:12, II.

35 (d) The application shall include evidence in the form of completed studies and/or reports
36 required by the commission to demonstrate how the proposed project meets the following criteria:

37 (1) The availability of local resources to support services and amenities necessary to

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1 accommodate projected guest volume in the form of transportation, regional geography, work force
2 demographics, rooms and meals, utilities, and law enforcement;

3 (2) The immediate and long range financial feasibility of the applicant's proposed
4 project including a projection of the revenues to be produced by the operation of the video lottery
5 machines and table games at the gaming location, the ability to achieve positive gross operating
6 profit on an annual basis in a specific time frame, and the estimated municipal and state tax
7 revenue to be generated by the gaming location, as supported by an expert experienced in the field of
8 gaming;

9 (3) Economic and environmental benefits to the region and the state from the
10 project, including the ability of the applicant's proposed gaming location, both in its construction and
11 its operation, to provide new and sustainable jobs for the community and to meet the highest
12 possible energy efficiency and environmental sustainability standards;

13 (4) The accessibility of the proposed gaming location to public access and public
14 highway infrastructures;

15 (5) The suitability of the proposed gaming location and facility design for tourism
16 and development, including evidence the development of the gaming location is compatible with
17 historic uses, regional branding, local zoning ordinances, and an explanation of anticipated
18 commercial development opportunities for the community; and

19 (6) The impact on the local and regional community, including:

20 (A) Impact on the local and regional economies, including but not limited to,
21 cultural institutions and small businesses in the host community and surrounding communities; and

22 (B) Costs and benefits to the host and surrounding communities in the form of
23 jobs, revenues, business development, and social issues associated with the gaming location.

24 (e) The applicant shall provide a licensing fee payment bond, letter of credit, or guaranty
25 of private equity or other funds with demonstrated cash and reserve availability supporting the
26 applicant's ability to pay the licensing fee.

27 (f) The applicant shall provide detailed information regarding its proposed system of
28 internal security and accounting controls.

29 (g) The application shall be accompanied by a petition for a table game operation
30 certificate consistent with RSA 284-B:19.

31 (h) The applicant shall obtain local approval of the municipality in which the project is
32 proposed by local referendum consistent with RSA 284-B:10.

33 (i) The applicant shall provide a description of any entertainment space proposed, which
34 space shall not have a seating capacity in excess of 1,500 seats; provided that this restriction on
35 seating capacity shall not be applied to limit the attendance at any outdoor event hosted by the
36 facility.

37 (j) The applicant shall provide to the commission signed agreements between the

1 impacted live entertainment venues and the applicant setting forth the conditions to have a gaming
2 establishment located in proximity to the impacted live entertainment venues; provided, however,
3 that the agreement shall include, but not be limited to, terms relating to cross marketing, limitations
4 to exclusivity arrangements with performers, coordination of performance schedules, promotions,
5 and ticket prices.

6 II. The applicant shall agree to make a minimum capital investment in the project in an
7 amount determined by the commission; provided that such capital investment shall be not less than
8 \$425,000,000 and exclusive of land acquisition, off-site improvement costs and license fees. The
9 investment required under this paragraph shall be made within 5 years after receiving a gaming
10 license.

11 III. Every application shall contain the information required pursuant to RSA 284-B:12 and
12 such information the lottery commission requests or requires by rule.

13 284-B:13 Gaming License Application Fees; Initial License Fees; Renewal Fees.

14 I. The lottery commission shall impose a nonrefundable application fee of \$500,000 on all
15 applicants submitting an application for a gaming license which shall be used to defray the cost of
16 processing and reviewing the application. If the cost of processing and reviewing the application
17 exceeds the \$500,000 application fee, the applicant shall pay the difference to the lottery commission
18 within 15 days of receiving a detailed invoice.

19 II. The attorney general shall impose a nonrefundable investigation fee of \$100,000 on all
20 applicants for a gaming license which shall be used to defray the cost of the background
21 investigation. If the cost of the background investigation exceeds the \$100,000 applicable amount,
22 the applicant shall pay the difference to the attorney general within 15 days of receiving a detailed
23 invoice.

24 III. Upon approval of a gaming license, the lottery commission shall charge an initial license
25 fee of \$80,000,000 which shall be deposited into the fund established by RSA 284:21-j. The amount
26 deposited shall be available to the state in the fiscal year received. A gaming license shall expire
27 after 10 years, subject to renewal pursuant to RSA 284-B:18, I. The lottery commission shall charge
28 a license renewal fee of \$1,500,000 to renew a gaming license; however, the person seeking renewal
29 of a gaming license shall pay all costs incurred by the attorney general to conduct an investigation
30 with regard to such application to renew the gaming license.

31 284-B:14 Gaming License Applications; Lottery Commission Completeness Review; Attorney
32 General Background Review.

33 I. The lottery commission shall be available to provide technical assistance to any applicant
34 submitting an application in response to a request for applications.

35 II.(a) The lottery commission shall examine every application for form and completeness,
36 and the information required by RSA 284-B as well as any specifications and standards outlined in
37 the request for application. All applications and accompanying submissions shall be maintained as

1 confidential during completeness review.

2 (b) If an application is determined incomplete by the lottery commission, the lottery
3 commission shall provide a first notification of incompleteness to the applicant by certified mail
4 within 30 days of receipt of the application. Such first notification of incompleteness shall include a
5 full explanation of the reasons for incompleteness. If no first notification of incompleteness is made
6 by the lottery commission within such 30-day period, the application shall be considered complete
7 and the applicant shall be notified by certified mail.

8 (c) The applicant shall provide any required additional information within 15 business
9 days of receipt of the first notification of incompleteness. The applicant shall not provide more than
10 the required additional information. The lottery commission shall review the additional information
11 submitted by the applicant; and, if satisfactory, the application shall be considered complete and the
12 applicant shall be notified by certified mail.

13 (d) If the application is still determined to be incomplete, the commission shall provide a
14 second notification of incompleteness to the applicant by certified mail within 10 business days of
15 receipt of the additional information.

16 (e) The applicant shall provide any required additional information within 10 business
17 days of receipt of the second notification of incompleteness. The applicant shall not provide more
18 than the required additional information. The lottery commission shall review the additional
19 information submitted by the applicant, and, if satisfactory, the application shall be considered
20 complete and the applicant shall be notified by certified mail.

21 (f) If the application is still found to be incomplete, the lottery commission shall provide
22 a third and final notification of incompleteness to the applicant by certified mail within 5 business
23 days of receipt of the additional information. The applicant shall provide the required additional
24 information within 3 business days of receipt of the third and final notification of incompleteness.
25 The applicant shall not provide more than the required additional information.

26 (g) Within 2 business days of the receipt of any information submitted pursuant to the
27 third and final notification of incompleteness, the lottery commission shall review the additional
28 information submitted by the applicant and notify the applicant whether the application is complete.

29 (h) An applicant whose application is incomplete and who fails to provide the additional
30 required information within the applicable time period specified shall be denied for incompleteness.

31 (i) An applicant may withdraw an application at any time thereby terminating the
32 review process and waiving any right to have its application reviewed.

33 (j) The lottery commission shall require the applicant who has been notified of a
34 complete application to proceed to a background review by the attorney general pursuant to
35 paragraph III.

36 III.(a) Upon receipt of a complete application from a gaming applicant, the lottery
37 commission shall request that the attorney general conduct a background review, and the attorney

1 general shall conduct a background review of a gaming applicant, its partners, trustees, officers and
2 directors, any holding company that owns more than 5 percent of the legal or beneficial interests of
3 the applicant and any other individual or entity determined by the lottery commission to exercise
4 control of the applicant either individually or in the aggregate through one or more entities. The
5 background review may be conducted through any appropriate state or federal law enforcement
6 system and the authorized reviewers may seek information as to the subject's financial, criminal, or
7 business background, or any other information which the attorney general, in his or her sole
8 discretion, may find relevant to the subject's fitness to be associated with the ownership or
9 management of gaming in New Hampshire, including, but not limited to, the subject's character,
10 personal associations, and the extent to which the subject is properly doing business in the manner
11 in which it purports to operate. The attorney general, in his or her sole discretion, may rely on the
12 results of a previous investigation of the applicant in this or another jurisdiction if (i) such previous
13 investigation is deemed to be of similar scope and subject to similar safeguards, (ii) the previous
14 investigation was conducted within the 12 months prior to the application filing, and (iii) the
15 applicant's circumstances have not materially changed. The attorney general shall also take into
16 consideration as evidence of fitness a letter of reference or sworn statement of good standing
17 produced pursuant to RSA 284-B:12, I(b)(8).

18 (b) The attorney general shall report the results of the background review to the lottery
19 commission within a reasonable time, not to exceed 120 days unless the attorney general determines
20 that additional time is needed and notifies the lottery commission that good cause exists for
21 extending this timeline to a later date. At a minimum, the attorney general's report shall state
22 whether or not in his or her opinion each of the persons subjected to the background review is fit to
23 be associated with the ownership or management of gaming in New Hampshire. Notwithstanding
24 any other law to the contrary, the information provided to the attorney general and the results of the
25 attorney general's background review shall be confidential and shall not be subject to disclosure or to
26 public inspection, except that the attorney general, in the attorney general's sole discretion, shall
27 determine the extent to which and the manner in which said results may be reported to the lottery
28 commission or other state agency or official and, if reported, whether such results are to retain their
29 confidential character.

30 (c) The attorney general may on his or her motion conduct a background review into the
31 background of the gaming applicant or gaming licensee, key employee, or any person or entity upon
32 whom the gaming applicant or gaming licensee relies for financial support.

33 (d) In any background review conducted pursuant to subparagraph (a) or subparagraph
34 (c), the attorney general or any duly authorized member of the attorney general's staff may require
35 by subpoena or otherwise the attendance of witnesses and the production of such correspondence,
36 documents, books, and papers as he or she deems advisable, and for purposes of this section, may
37 administer oaths and take the testimony of witnesses.

1 284-B:15 Gaming License Determinations.

2 I. If there is only one complete application pending for a gaming license, then upon receipt of
3 the report of the attorney general on the gaming applicant's fitness for gaming, the lottery
4 commission shall make a determination as to whether the gaming applicant demonstrates it meets
5 the standards for licensure set out in this chapter; provided that if the applicant is unable to
6 demonstrate its fitness for gaming pursuant to RSA 284-B:17, II, the lottery commission shall not
7 give further consideration to its application. The lottery commission shall make such determination
8 within 60 days of receiving the report of the attorney general. Such a determination shall be made
9 by majority vote of eligible commission members. Any commission member who has a personal or
10 business conflict with any application shall not vote on such application. The decision shall be in the
11 form of an approval, denial, or an approval with conditions.

12 II. If there is more than one complete application pending for a gaming license, the lottery
13 commission shall consider competing applicants in relationship to each other. Within 30 days of
14 receiving all of the attorney general's reports on the competing applicants pursuant to RSA 284-B:14,
15 III, the lottery commission shall schedule and conduct a hearing pursuant to the process set forth in
16 RSA 541-A regarding adjudicative proceedings. Competing applicants shall serve prehearing
17 memoranda as prescribed by the lottery commission which shall include at a minimum a summary of
18 evidence each applicant intends to present in support of its application for licensure. Competing
19 applications shall be heard separately by the lottery commission at one hearing. There shall be no
20 right for an applicant to cross-examine witnesses of a competing applicant. Upon conclusion of the
21 hearing, based on the evidence submitted, the lottery commission shall determine which applicant
22 demonstrates superiority in meeting the standards set out in this chapter; provided that if any
23 applicant is unable to demonstrate its fitness for gaming pursuant to RSA 284-B:17, II, the lottery
24 commission shall not give further consideration to its application. Such a determination shall be
25 made by majority vote of eligible commission members. Any commission member who has a
26 personal or business conflict with any application shall not vote on any of the competing
27 applications. With respect to the applicant determined to demonstrate superiority in meeting the
28 standards set out in this chapter, the decision shall be in the form of an approval or approval with
29 conditions. Notwithstanding the generality of the foregoing, any such approval shall at a minimum
30 include as a condition that the licensee may not begin construction or operations until the licensee
31 has obtained any permits required under federal, state or local law prior to construction or
32 operations, as applicable, including, but not limited to, all approvals and permits required by local
33 land use regulations. With respect to the other competing applicants the decision shall be in the
34 form of a denial.

35 III. No gaming applicant who withdraws an application or is denied approval by the lottery
36 commission shall be prevented from responding to subsequent requests for applications.

37 IV.(a) Any decision of the lottery commission approving an application, approving an

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1 application with conditions, or denying an application is a final, binding, non-appealable
2 determination which is not subject to legal challenge except as permitted by this chapter.

3 (b) Any applicant or licensee aggrieved or dissatisfied with a final decision of the lottery
4 commission, or the attorney general if he or she determines that the lottery commission abused its
5 discretion in applying the provisions of this chapter, shall have the right to appeal from a final
6 decision to the supreme court pursuant to RSA 541.

7 (c) The provisions of RSA 541 shall govern all appeals under this section, provided that
8 the request for rehearing provided for by RSA 541 shall be presented as a request for reconsideration
9 to the commission within 10 calendar days of the commission's decision and the commission's
10 decision on said request shall be issued within 10 days of the presentation of the request.

11 (d) The court shall affirm the decision of the commission unless it finds it to be arbitrary
12 or capricious or not made in compliance with applicable law.

13 284-B:16 Technology Provider Licensee Applications. A technology provider licensee applicant
14 shall obtain a technology provider license from the lottery commission, as follows:

15 I. An applicant shall complete and sign an application on forms and in a manner prescribed
16 by the lottery commission.

17 II. The applicant shall include information regarding:

18 (a) The applicant's criminal history background including authorization for a criminal
19 background and records check, and an attested disclosure of all arrests and citations for nontraffic
20 offenses;

21 (b) Civil actions to which the applicant was a party during the past 15 years;

22 (c) Financial affairs using a multi-jurisdictional personal history disclosure form;

23 (d) The full name, address, date of birth, and other personal identifying information of
24 the applicant and all key employees; and

25 (e) If the applicant is a corporation or other form of business enterprise, the same
26 information shall be provided with respect to each partner, trustee, officer, director, and any
27 shareholder or other holder who owns more than 5 percent of the legal or beneficial interests of such
28 entity.

29 III. If the applicant or any owner has held or holds a technology provider, manufacturer, or
30 supplier's license in a jurisdiction where video lottery machine activities are permitted, the applicant
31 shall so state and may produce either a letter of reference from the gaming or lottery enforcement or
32 control agency in such jurisdiction which sets forth the experience of that agency with the applicant,
33 the applicant's associates, and gaming operation, or a statement under oath that the applicant is or
34 was during the period the activities were conducted in good standing with the agency.

35 IV.(a) Upon receipt of a complete application from a technology provider applicant the
36 lottery commission shall request that the attorney general conduct a background review, and the
37 attorney general shall conduct a background review of each technology provider applicant and any of

1 its owners and key employees. The review may be conducted through any appropriate state or
2 federal law enforcement system and may seek information as to the subject's financial, criminal, or
3 business background, or any other information which the attorney general, in his or her sole
4 discretion, may find relevant to the subject's fitness to be associated with the distribution of video
5 lottery machines, table game devices, or associated equipment in New Hampshire, including, but not
6 limited to, the subject's character, personal associations, and the extent to which the subject is
7 properly doing business in the manner in which it purports to operate. The attorney general shall
8 take into consideration as evidence of fitness a letter of reference or sworn statement of good
9 standing.

10 (b) The attorney general shall report the results of the review to the lottery commission
11 within a reasonable time not to exceed 120 days unless a request for additional time has been
12 granted by the lottery commission for good cause. Whenever the attorney general conducts such a
13 review, the attorney general shall notify the lottery commission whether or not in his or her opinion
14 such person is fit to be associated with the distribution of video lottery machines in this state.
15 Notwithstanding any other law to the contrary, the information provided to the attorney general and
16 the results of any such review shall be confidential and shall not be subject to disclosure or to public
17 inspection, except that the attorney general, in the attorney general's sole discretion, shall determine
18 the extent to which and the manner in which said results may be reported to the lottery commission
19 or other state agency or official and, if reported, whether such results are to retain their confidential
20 character.

21 (c) The attorney general may conduct a background review on the attorney general's
22 motion into the background of the technology provider applicant or licensee, or any person or entity
23 upon whom the technology provider applicant or licensee relies for financial support.

24 V. In any review conducted pursuant to paragraph IV, the attorney general or any duly
25 authorized member of the attorney general's staff may require by subpoena or otherwise the
26 attendance of witnesses and the production of such correspondence, documents, books, and papers as
27 he or she deems advisable, and for purposes of this section, may administer oaths and take the
28 testimony of witnesses.

29 VI.(a) The lottery commission shall charge the technology provider applicant an application
30 fee of \$100,000 which shall be used to defray the cost of processing the application. If the cost of
31 processing the application exceeds \$100,000, the applicant shall pay the difference.

32 (b) The attorney general shall charge the technology provider applicant an investigation
33 fee of \$25,000 which shall be used to defray the cost of the background investigation. If the cost of
34 the background investigation exceeds \$25,000, the applicant shall pay the difference.

35 (c) Upon approval of a technology provider licensee, the lottery commission shall charge
36 an initial license fee of \$50,000. Licenses shall expire after 5 years. The lottery commission shall
37 charge a fee of \$50,000 to renew a license to a technology provider licensee provided, however, such

1 person seeking renewal of its license shall pay all costs incurred by the attorney general to conduct
2 an investigation with regard to such application to renew the technology provider’s license.

3 284-B:17 Licensure Requirements for All Licenses.

4 I. No license shall be issued by the lottery commission unless the applicant demonstrates it
5 meets the standards and requirements of this chapter.

6 II. The applicant shall demonstrate the following:

7 (a) The applicant’s financial stability, integrity, and responsibility, considering, without
8 limitation, bank references, business and personal income and disbursement schedules, tax returns,
9 and other reports filed with governmental agencies, business and personal accounting records, check
10 records, and ledgers.

11 (b) The trustworthiness of all financial backers, investors, mortgagees, bondholders, and
12 holders of indentures, notes, and other evidences of indebtedness of the applicant, its affiliated
13 persons, subsidiaries, or holding companies that bears a relation to the application.

14 (c) The applicant’s good character, honesty, and integrity, considering, without
15 limitation, information pertaining to family, habits, character, reputation, criminal and arrest
16 record, business activities, financial affairs, and business, professional, and personal associates,
17 covering at least the 10-year period immediately preceding the filing of the application.

18 (d) The likelihood that the applicant can establish and maintain a successful and
19 efficient operation including, without limitation, by demonstrating that the applicant meets the
20 criteria specified in RSA 284-B:12, I(d).

21 III. The lottery commission shall not issue a license to any applicant unless the applicant
22 proves that each owner, director, officer, and key employee of the applicant, its principals,
23 subsidiaries, and affiliated entities is fit for gaming based upon the attorney general’s review
24 conducted pursuant to RSA 284-B:14 or RSA 284-B:16, as applicable. The lottery commission may
25 waive the requirements of this section for a person directly or indirectly holding ownership of
26 securities in a publicly traded corporation if the board determines that the holder of the securities is
27 not significantly involved in the activities of the corporation and does not have the ability to control
28 the corporation or elect one or more directors thereof. The lottery commission may determine
29 whether the licensing standards of another jurisdiction within the United States or Canada in which
30 an applicant, its affiliated entity, intermediary, subsidiary, or holding company for a gaming license
31 or technology provider license is similarly licensed are comprehensive and thorough and provide
32 similar adequate safeguards as those required by this chapter. If the lottery commission makes that
33 determination, it may determine that the gaming applicant or technology provider meets the
34 standards set forth in RSA 284-B:17, II, if an applicant holds a similar license in such other
35 jurisdiction after conducting an evaluation of the information relating to the applicant from such
36 other jurisdiction, as updated by the lottery commission, and evaluating other information related to
37 the applicant received from that jurisdiction and other jurisdictions where the applicant may be

1 licensed. The lottery commission may incorporate such information, in whole or in part, into its or
2 the attorney general's evaluation of the applicant.

3 IV. The lottery commission shall not issue a license to any applicant if the applicant, any
4 key employee, or any individual who has an ownership or financial interest in or with the applicant
5 or its gaming location or an affiliated entity, is an elected official of the general court or executive
6 branch of the state of New Hampshire or employee of the attorney general's office or the lottery
7 commission on a full or part-time or contractual basis or has been at any time during the previous 2
8 years. If any such applicant, key employee, or any individual who has an ownership or financial
9 interest in the applicant becomes an employee of the attorney general's office or the lottery
10 commission on a full or part-time or contractual basis, the applicant shall be subject to sanctions
11 pursuant to RSA 284-B:25.

12 V. If the lottery commission finds that an individual who is a principal or has an interest in
13 the applicant does not meet the eligibility requirements of paragraph II, and on this basis the
14 applicant shall be denied a license, the lottery commission may afford the individual the opportunity
15 to completely divest his or her interest in the applicant and after such divestiture reconsider the
16 applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue
17 the applicant a license.

18 VI. No license shall be issued to a gaming applicant unless the applicant has obtained local
19 approval as provided in RSA 284-B:10.

20 VII. After a review of the entire application and any independent evaluations, the
21 commission shall identify which live entertainment venues shall be designated as impacted live
22 entertainment venues of a proposed gaming establishment; provided, however, that any live
23 entertainment venue that has negotiated an agreement with the applicant that was submitted with
24 the application shall be considered an impacted live entertainment venue by the commission. If the
25 commission determines a live entertainment venue to be an impacted live entertainment venue and
26 the applicant has not finalized negotiations with that live entertainment venue in its application
27 pursuant to RSA 284-B:12, I(j), the applicant shall negotiate a signed agreement with that live
28 entertainment venue within 30 days and no action shall be taken on its application prior to the
29 execution of that agreement. In the event an applicant and an impacted live entertainment venue
30 cannot reach an agreement, the commission, in making its decision on the application, shall consider
31 the reasons for such failure to agree in relation to the standards for licensure set forth in this
32 chapter. A gaming licensee's compliance with such agreements shall be considered upon a gaming
33 licensee's application for renewal of the gaming license.

34 VIII.(a) The lottery commission shall approve, approve with conditions, or deny each
35 application according to the time frames set forth in RSA 284-B:15. Following approval of an
36 application for a license and receiving notice from the lottery commission that the decision is final
37 and not subject to an appeal pursuant to RSA 284-B:15, IV, the applicant shall pay any applicable

1 licensing fee. The applicant shall provide formal notification to the commission as soon as it fulfills
2 all required conditions for issuance of the license. Upon receipt of such formal notification, and upon
3 conducting any necessary verification, and payment of the license fee, the lottery commission shall
4 issue a license to the applicant.

5 (b) No gaming licensee may begin operations until the lottery commission has adopted
6 final rules. Once final rules have been adopted, a gaming licensee may commence operations in a
7 temporary gaming location while completing construction of the permanent gaming location. The
8 gaming licensee shall commence construction of the permanent gaming location within 6 months of
9 issuance of a license or adoption of final rules by the lottery commission, whichever occurs later.

10 (c) The lottery commission may impose reasonable requirements upon a gaming licensee
11 with respect to the completion of construction of the permanent gaming location, provided that the
12 lottery commission may amend, modify, or waive such conditions upon good cause shown by the
13 gaming licensee and determined by the lottery commission.

14 IX. Each applicant at all times shall have the burden of establishing its eligibility and
15 suitability for licensure. If an applicant or licensee does not meet the requirements for licensure, the
16 lottery commission may deny, revoke, suspend, or condition the license until the applicant or licensee
17 meets the requirements.

18 X. During the course of review of any application for a gaming license, the lottery
19 commission shall take reasonable measures to prohibit and prevent all ex parte communication
20 relating to the merits of such application.

21 XI. A licensee shall ensure that all key employees file an application with the lottery
22 commission for approval if not approved during the initial licensing process upon a form prescribed
23 by the lottery commission which shall include, but not be limited to, the following:

24 (a) The name of the applicant;

25 (b) The address of the applicant;

26 (c) A detailed employment history of the applicant;

27 (d) Fingerprints;

28 (e) A criminal and arrest record; and

29 (f) Any civil judgments obtained against the applicant pertaining to fraud or other
30 securities violations. The gaming licensee may not begin operations until all key employees of the
31 gaming licensee have been licensed pursuant to the process established by the lottery commission in
32 rules. Any key employee hired after operations commence must be licensed prior to working at the
33 gaming location. The gaming licensee shall not employ or continue to employ a key employee, and no
34 individual shall continue employment as a key employee, if such individual does not hold the
35 requisite license. The lottery commission may develop a process for the issuance of temporary
36 licenses for key employees if it deems such a process necessary to allow for the efficient operation of
37 the gaming location.

1 XII. A licensee shall ensure that all other employees at a gaming location who are not
2 considered key employees shall be required to register with the lottery commission as a gaming
3 service employee and shall produce such information as the lottery commission may require.

4 284-B:18 Term of License; Limits on Transfer.

5 I. Any license awarded by the lottery commission shall be a revocable privilege and may be
6 conditioned, suspended or revoked upon a finding by the lottery commission that such action is
7 necessary to accomplish the purposes of this chapter as a result of:

8 (a) A breach of the conditions of licensure, including failure to complete any phase of
9 construction of the gaming establishment or any promises made to the state in return for receiving a
10 gaming license;

11 (b) Any civil or criminal violations of the laws of the state or other jurisdictions; or

12 (c) A finding by the lottery commission that a gaming licensee is unsuitable to operate a
13 gaming establishment or perform the duties of its licensed position.

14 II. The commission shall issue a written decision with detailed findings upon the taking of
15 any action under paragraph I which shall be presented immediately to the licensee and shall be a
16 public document. The licensee shall be entitled to request a rehearing of such decision and appeal
17 consistent with RSA 541.

18 III. No license issued by the lottery commission or controlling interest held by a licensee
19 may be transferred to a separate person without the prior approval of the lottery commission
20 consistent with this chapter. Any proposed transferee of a license issued pursuant to this chapter or
21 purchaser of a controlling interest in a licensee shall demonstrate to the lottery commission that the
22 purchaser or transferee meets all the standards for licensure under this statute, pay an application
23 fee to the lottery commission and investigation fee to the attorney general as specified in RSA 284-
24 B:13 or RSA 284-B:16, as applicable. The purchaser of a controlling interest in a gaming licensee
25 shall include purchases where the license is not transferred but where the sale of a controlling
26 interest occurs in one transaction or a series of transactions over the course of 12 consecutive
27 months. Any transfer without the approval of the lottery commission shall result in the immediate
28 and automatic termination of the license.

29 IV. No gaming licensee shall transfer any direct or indirect interest in the licensee or
30 gaming establishment without the approval of the lottery commission. The lottery commission shall
31 reject any such transfer unless the transferee is determined by the lottery commission fit to be
32 associated with the ownership of gaming in New Hampshire after investigation by the attorney
33 general pursuant to RSA 284-B:3 or RSA 284-B:16.

34 284-B:19 Table Game Operation Certificates.

35 I. The lottery commission shall have general and sole regulatory authority over the conduct
36 of table games described in this chapter. The lottery commission shall ensure the integrity of the
37 acquisition and operation of table game devices and associated equipment and shall have sole

1 regulatory authority over every aspect of the authorization and operation of table games.

2 II.(a) The lottery commission shall:

3 (1) Issue, approve, renew, revoke, suspend, condition, or deny issuance or renewal of
4 a table game operation certificate permitting a gaming licensee to operate table games at a gaming
5 location consistent with this chapter.

6 (2) Determine at its discretion the suitability of any person, including technology
7 vendors not licensed pursuant to this chapter, who furnishes or seeks to furnish to a certificate
8 holder directly or indirectly any services or property related to the table games or associated
9 equipment or through any arrangements under which that person receives payment based directly
10 or indirectly on earnings, profits, or receipts from table games and associated equipment. Any
11 criminal background checks shall be conducted by the division of state police, gaming enforcement
12 unit, and any other background investigations shall be conducted by the attorney general's office.
13 The commission may require any such person to comply with the requirements of this chapter and
14 the rules of the commission and may prohibit the person from furnishing the services or property.

15 (b) The certificate shall only permit the operation of table games at a gaming location of
16 a gaming licensee that operates or permits the operation of games of chance for or on behalf of
17 charitable organizations pursuant to RSA 287-D. The space allocated for games of chance at the
18 facility of a gaming licensee shall be at least 5,000 square feet within the principal gaming area of
19 the gaming location, and the number of tables used for table games shall be limited to no more than
20 150 tables.

21 (c) The certificate shall not be transferable.

22 III. The lottery commission shall only permit the operation of table games and the system of
23 wagering associated with table games at a gaming location. Authorization to conduct table games
24 shall be contingent upon the gaming applicant's agreement to conduct table games in accordance
25 with this section.

26 IV.(a) A gaming licensee may seek approval to operate table games by filing a petition with
27 the lottery commission consistent with this chapter.

28 (b) A petition shall include the following:

29 (1) An itemized list of the number and type of table games for which authorization is
30 being sought.

31 (2) The estimated number of full-time and part-time employment positions that will
32 be created at the gaming location if table games are authorized.

33 (3) Information and authorizations sufficient to allow the commission to confirm that
34 any person providing services as a table game operator has not, in any jurisdiction, been convicted of
35 a felony or class A misdemeanor within the previous 10 years which has not been annulled by a
36 court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court,
37 or has violated any statutes or rules governing gambling or gaming of any kind.

1 (4) The details of any financing that will be obtained or has been obtained to
2 accommodate the operation of table games.

3 (5) The space allocated for games of chance at the facility of a gaming licensee shall
4 be at least 5,000 square feet within the principal gaming area of the gaming location, and the
5 number of tables used for table games shall be limited to no more than 150 tables; provided that the
6 gaming licensee shall arrange the gaming area so that charitable gaming patrons can enter the
7 charitable gaming space without passing through other gaming areas, including having a separate
8 entrance for charitable gaming patrons if architecturally feasible.

9 V. The applicant shall certify under oath that:

10 (a) The information provided on the petition is accurate.

11 (b) The applicant who will be participating in the operation of the games of chance is
12 aware of all statutes and rules applicable to the operation of table games.

13 (c) The proposed internal and external security and proposed surveillance measures
14 within the petitioner's proposed table game area within the gaming location are adequate.

15 (d) The petitioner's proposed internal controls and audit protocols shall:

16 (1) Safeguard its assets and revenues, including the recording of cash and evidences
17 of indebtedness related to the table games.

18 (2) Provide for reliable records, accounts, and reports of any financial event that
19 occurs in the operation of a table game, including reports to the commission related to the table
20 games.

21 (3) Provide for accurate and reliable financial records related to the table games
22 operation.

23 (4) Establish procedures for all the following:

24 (A) The receipt, storage, and disbursement of chips, cash, and other cash equivalents
25 used in table gaming.

26 (B) Check cashing.

27 (C) The redemption of chips and other cash equivalents used in table gaming and
28 the payoff of jackpots.

29 (D) The recording of transactions pertaining to table gaming.

30 (5) Establish procedures for the collection and security of moneys at the gaming
31 tables.

32 (6) Establish procedures for the transfer and recording of chips between the gaming
33 tables and the cashier's cage.

34 (7) Establish procedures for the transfer of drop boxes for table games from the
35 gaming tables to the count room.

36 (8) Establish procedures and security for the counting and recording of table gaming
37 revenue.

1 (9) Establish procedures for the security, storage, and recording of cash, chips, and
2 other cash equivalents utilized in table gaming.

3 (10) Establish procedures and security standards for the handling and storage of
4 gaming apparatus, including cards, dice, machines, wheels, and all other gaming equipment.

5 (11) Establish procedures and rules governing the conduct of particular games and
6 the responsibility of non-key gaming employees.

7 (12) Establish procedures for the collection and recording of revenue from poker
8 when it is a nonlicensee bank game, including the type of rake utilized, the methodology for
9 calculating the rake, and the amount of maximum permissible rake.

10 (13) Ensure that any wagering governing the operation of a table game is
11 implemented only in accordance with the management's general or specific authorization, as
12 approved by the lottery commission.

13 (14) Ensure that there is proper and timely accounting of gross table game revenue
14 and the calculation of gross table game revenue, fees, and taxes and maintain accountability for
15 assets.

16 (15) Ensure that recorded accountability for assets is compared with actual assets at
17 reasonable intervals and that appropriate action is taken with respect to any discrepancies.

18 (16) Ensure that all functions, duties, and responsibilities are appropriately
19 segregated and performed in accordance with sound financial practices by competent, qualified
20 personnel.

21 (17) Permit use of its existing onsite facilities by the lottery commission and other
22 persons authorized by the commission to facilitate their ability to perform regulatory and oversight
23 functions under this chapter.

24 VI.(a) Each gaming licensee shall, prior to being approved for a table game operation
25 certificate, submit to the commission a detailed description of its administrative and accounting
26 procedures related to table games, including its written system of internal controls. Each written
27 system of internal controls shall include:

28 (1) An organizational chart depicting appropriate functions and responsibilities of
29 employees involved in the table game operation.

30 (2) A description of the duties and responsibilities of each position shown on the
31 organizational chart.

32 (3) The record retention policy of the applicant.

33 (4) The procedure to be utilized to ensure that assets are safeguarded, including
34 mandatory count procedures.

35 (b) Gaming licensees shall maintain a detailed narrative description of the
36 administrative and accounting procedures which meet the requirements of this section.

37 (c) A gaming licensee with a table game operation certificate may accept a check from a

1 patron in exchange for cash or chips, provided that each check is deposited within 2 business days of
2 receipt by the gaming licensee.

3 (d) A gaming licensee with a table game operation certificate may make credit card
4 advances and debit card withdrawals available to table game patrons at a gaming location. All fees
5 charged for cash advances, check cashing, and debit card withdrawals shall be disclosed.
6 Notwithstanding any other provision of law, a gaming licensee with a table game operation
7 certificate may provide credit to patrons for the purpose of playing table games in accordance with
8 this section. No third party checks shall be permitted.

9 VII. A certificate holder shall maintain all books, records, and documents pertaining to the
10 certificate holder's table game operation in a manner and location as approved by the lottery
11 commission. All books, records, and documents related to table game operations shall:

12 (a) Be maintained separately and apart from all books, records, and documents of the
13 video lottery machine operations;

14 (b) Be immediately available for inspection upon request of the lottery commission, the
15 state police, or agents of the attorney general during all hours of operation in accordance with rules
16 adopted by the commission; and

17 (c) Be maintained for a period as the lottery commission, by rule, may require.

18 VIII. A gaming licensee shall distribute its daily gross table revenue as follows:

19 (a) Fourteen percent of daily gross table revenue to the state to be deposited into the
20 education trust fund under RSA 198:39; and

21 (b) The balance of the daily gross table game revenue shall be retained by the gaming
22 licensee that operates the table games.

23 IX. The distribution due to the state pursuant to subparagraph VIII(a) shall be due and
24 payable to the state treasurer on a daily basis and shall be based upon gross table game revenue
25 derived during the previous day. All funds owed to the state under this section shall be held in trust
26 by the certificate holder until the funds are paid or transferred and distributed by the certificate
27 holder. Unless otherwise agreed to by the lottery commission, a certificate holder shall establish a
28 separate bank account to maintain table gaming proceeds until such time as the proceeds are paid or
29 transferred under this section.

30 X. Any person seeking to supply table game devices for use at a gaming location shall obtain
31 approval by the commission for authority to manufacture or supply table games, table game devices,
32 or other equipment associated with table games, and shall pay such fees as the commission deems
33 reasonable and appropriate. Upon approval, the manufacturer or supplier shall pay a fee of \$50,000.
34 A fee of \$25,000 shall be paid for the annual renewal of an approval.

35 XI.(a) No table games shall be conducted with any equipment except such as is owned or
36 leased from a supplier or manufacturer of such equipment who has been approved by the commission
37 pursuant to RSA 284-B:19, X and who has registered with the secretary of state in such manner and

1 on such form as the secretary of state prescribes.

2 (b) All devices and equipment used to conduct table games shall be subject to inspection
3 by duly authorized law enforcement officials of the commission.

4 (c) The amount of any wager permitted to be played by a player, on any table game, shall
5 be prominently posted.

6 284-B:20 Exclusion of Minors.

7 I. No person under 21 years of age shall be in a gaming area at a gaming location authorized
8 by this chapter, notwithstanding any other law, provided, however, that a person 18 years or over of
9 age who is a licensed employee of the gaming establishment may be in a gaming area if in the
10 performance of the duties the employee is licensed to undertake; and provided, further, that no
11 gaming licensee or gaming establishment shall authorize or conduct marketing and promotional
12 communications relative to gaming to target persons under the age of 21.

13 II. No gaming licensee shall knowingly permit any person under 21 years of age to play or
14 participate in any aspect of the play of a video lottery machine or table game.

15 III. Licensees shall take all reasonable measures to prevent violations of the criminal code
16 provisions related to gambling by minors, including the provisions set forth at RSA 672.

17 284-B:21 Operation of Video Lottery Machines.

18 I.(a) A gaming licensee shall provide to the lottery commission prior to commencing
19 operations of any video lottery machines, by diagram or narrative, a description of:

20 (1) The location of each video lottery machine available for play by the public.

21 (2) The location of all areas for the storage, maintenance, or repair of video lottery
22 machines.

23 (3) A description of all security measures to be taken for the safeguarding of video
24 lottery machines.

25 (4) The location and security measures taken for the safeguarding of all moneys,
26 tokens, or other items of value utilized in the use of video lottery machines.

27 (5) All procedures for the operation, maintenance, repair, and inserting or removing
28 of moneys, tokens, or other items of value from video lottery machines.

29 (6) All internal control systems as required by RSA 284-B:12, I(f).

30 (b) The provisions of subparagraphs (a)(1)-(6) shall be approved by the lottery
31 commission prior to a gaming licensee's commencing the operation of any video lottery machine.

32 II. No video lottery machine shall be possessed, maintained, exhibited, brought into, or
33 removed from a gaming location by any person unless such machine has permanently affixed to it an
34 identification number or symbol authorized by the lottery commission and prior notice of any such
35 movement has been given to the lottery commission.

36 III. Each gaming licensee shall maintain secure facilities for the counting and storage of all
37 moneys, tokens, or other items of value utilized in the conduct or operation of video lottery machines.

1 IV. The drop boxes and other devices shall not be brought into a gaming location or removed
2 from a video lottery machine, locked or unlocked, except at such specific times and such places and
3 according to such procedures as the lottery commission may require to safeguard such boxes and
4 devices and their contents.

5 V. No video lottery machine shall be used to conduct gaming unless it is identical in all
6 electrical, mechanical, and other aspects to a model which has been specifically tested by the lottery
7 commission and licensed for use by the lottery commission. In conducting such tests, the lottery
8 commission shall use the services of an independent laboratory, and the cost of such independent
9 laboratory shall be paid by the technology provider.

10 VI. Video lottery machines in operation at a gaming location shall provide a payoff of an
11 average of at least 90 percent, except that progressive jackpots shall have a payoff of an average of at
12 least 85 percent.

13 VII. All tickets given as prizes or winnings from video lottery machines shall be redeemed
14 for cash within one year after the date of winning. Upon the expiration of such one-year period, the
15 value of such unredeemed tickets shall be considered net machine income of the issuing gaming
16 licensee.

17 VIII. A gaming licensee shall not be restricted in the days of operation of video lottery
18 machines.

19 IX. Video lottery machines shall be operated only at times when the public is allowed access
20 to the gaming locations.

21 X. Automatic teller machines shall not be located within 100 feet of nor within the same
22 room as video lottery machines or table games.

23 XI. All table games operated by a gaming licensee shall be approved in advance by the
24 lottery commission consistent with RSA 284-B:19 and operated consistent with such approval.

25 XII. The gaming licensee shall pay a fee of \$600 per year per machine to the lottery
26 commission to be deposited in the general fund.

27 284-B:22 Distribution of Net Machine Income.

28 I.(a) Notwithstanding any law to the contrary, the net machine income generated by video
29 lottery machines operated by a gaming licensee shall be paid as follows:

30 (1) Twenty-five percent of the net machine income generated by video lottery
31 machines shall be paid to the commission from which it shall pay for the costs of regulation,
32 administration, enforcement of this chapter, and the operation of the central computer system, and
33 any unfunded costs incurred by the attorney general's office for investigation and enforcement of this
34 chapter as certified to the lottery commission by the attorney general, and the balance of which shall
35 be paid to the state treasurer to be distributed through the operating budget as determined by the
36 general court for the following purposes:

37 (A) Forty-five percent shall be appropriated to the department of transportation

1 to be used to pay the debt service costs on bonds issued after December 31, 2012 for the widening of
2 I-93. The remainder of this 45 percent shall be disbursed as follows:

3 (i) Notwithstanding the provisions of RSA 235:23 and RSA 235:23-a, the first
4 1/6 shall be deposited into the highway and bridge betterment account established under RSA
5 235:23-a and dedicated to local highway and bridge betterment projects; and

6 (ii) The next 5/6 shall be distributed pursuant to the apportionment formula
7 in RSA 235:23, I.

8 (B) Forty-five percent shall be appropriated to the university system of New
9 Hampshire and community college system of New Hampshire higher education fund to provide
10 additional funding to public institutions of higher education in New Hampshire. There is
11 established the university system of New Hampshire and community college system of New
12 Hampshire higher education fund. This fund shall be nonlapsing and continually appropriated for
13 the purposes of this subparagraph.

14 (C) Ten percent to be deposited in the north country economic development fund
15 established in RSA 284-B:29 for the purposes of north country economic development.

16 (2) Three percent of the net machine income generated by video lottery machines
17 operated by a gaming licensee in any specific municipality shall be paid to the municipality in which
18 the gaming licensee operates video lottery machines.

19 (3) One percent of the net machine income generated by video lottery machines
20 operated by a gaming licensee shall be paid in equal portions to each of the municipalities of
21 New Hampshire which abut the municipality in which the gaming licensee operates video lottery
22 machines; provided, however, that if a municipality abuts more than one municipality in which a
23 gaming licensee operates video lottery machines, such municipality shall only receive net machine
24 income pursuant to this paragraph from the gaming licensee who operates video lottery machines in
25 the same county as the abutting municipality.

26 (4) One percent of the net machine income generated by all video lottery machines
27 shall be paid to the state treasurer and credited to the commissioner of the department of health and
28 human services to support programs established by RSA 172 to treat problem gambling.

29 (b) The balance of the funds from the net machine income from video lottery machines
30 shall be retained by the gaming licensee that operates such video lottery machines, subject to any
31 adjusted charitable benefit amount or gaming location charitable benefit amount due to the racing
32 and charitable gaming commission from the gaming licensee pursuant to RSA 284:6-b, III.

33 II. The gaming licensee shall deliver the amounts payable to the state or municipality as
34 provided in paragraph I in immediately available funds of the United States on a daily basis. At the
35 time payment is delivered, the gaming licensee shall provide a written accounting of net machine
36 income generated from the video lottery machines by the gaming licensee on an aggregate basis and
37 the calculation of amounts due to the state separately for distribution pursuant to subparagraphs

1 I(a)(1) and (4), the amount due the municipality pursuant to subparagraph I(a)(2), the amount due
2 certain municipalities pursuant to subparagraph I(a)(3), and the balance of net machine income
3 retained by the gaming licensee. The gaming licensee shall pay a penalty of \$1,000 for each day that
4 payment or the accounting is not delivered on time to the state, and a penalty of \$1,000 for each day
5 that payment or the accounting is not delivered to the municipality on time.

6 284-B:23 Inspection of Video Lottery Machines; Penalty for Tampering or Manipulating;
7 Prevention of Criminal Violations.

8 I. The lottery commission shall periodically test video lottery machines installed at any
9 gaming location. In conducting such tests, the lottery commission shall use the services of an
10 independent laboratory, and the cost of such independent laboratory shall be paid by the technology
11 provider.

12 II. Licensees shall take all reasonable measures to prevent violations of the criminal code
13 provisions related to gambling, including the provisions set forth at RSA 672.

14 284-B:24 Presence of the Lottery Commission. The lottery commission and the division of state
15 police gaming enforcement unit may be present at any gaming location at which video lottery
16 machines and table games are operated at all times when the gaming location is open to the public.
17 The gaming licensee may be required by the lottery commission or gaming enforcement unit to
18 provide such office space and equipment which the commission or unit shall determine is reasonably
19 necessary or proper.

20 284-B:25 Sanction Powers of the Lottery Commission.

21 I. The lottery commission shall have the sole and exclusive authority following appropriate
22 hearings and factual determinations, to impose sanctions against any person for any violation of this
23 chapter or any rule of the commission adopted under the provisions of this chapter as follows:

24 (a) Revocation or suspension of a license.

25 (b) Civil penalties as may be necessary to punish misconduct and to deter future
26 violations, which penalties may not exceed \$50,000 for each violation.

27 (c) Order restitution of any moneys or property unlawfully obtained or retained by a
28 person.

29 (d) Issuance of a cease and desist order which specifies the conduct which is to be
30 discontinued, altered, or implemented by the person.

31 (e) Issuance of letters of reprimand or censure, which shall be made a permanent part of
32 the file of each person so sanctioned.

33 (f) Imposition of any or all of the foregoing sanctions in combination with each other.

34 II. In determining appropriate sanctions in a particular case, the commission shall consider:

35 (a) The risk to the public and to the integrity of video lottery machine or table game
36 operations created by the conduct of the person.

37 (b) The seriousness of the conduct of the person and whether the conduct was purposeful

1 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the
2 commission.

3 (c) Any justification or excuse for such conduct.

4 (d) The prior history of the person involved.

5 (e) The corrective action taken by the person to prevent future misconduct of a like
6 nature from occurring.

7 (f) In the case of a monetary penalty, the amount of the penalty in relation to the
8 misconduct and the financial means of the person.

9 (g) In the event that a person receives 3 civil penalties during the term of such person's
10 license, the commission may subject such person to enhanced fines or other disciplinary action.

11 III.(a) Upon revocation or suspension of a gaming license by the lottery commission or upon
12 the failure or refusal of a licensee to renew a gaming license for any reason, the lottery commission
13 may seek the appointment of a conservator pursuant to this paragraph to temporarily manage and
14 operate the business of the gaming licensee relating to the gaming location, but only if:

15 (1) The possible adverse economic impact of closure of the gaming location upon the
16 specific community in which the establishment is located and upon the state generally is significant;
17 and

18 (2) Continued gaming operation pursuant to a conservatorship would facilitate
19 speedy transfer of ownership of the establishment in a manner that does not unreasonably endanger
20 the public health, safety, morals, good order and general welfare. Such conservator shall be a person
21 of similar experience in the field of gaming management and, in the case of replacing a gaming
22 licensee, shall have experience operating a gaming establishment of similar caliber in another
23 jurisdiction, and shall be in good standing in all jurisdictions in which the conservator operates a
24 gaming establishment. Upon appointment, a conservator shall agree to all licensing provisions of
25 the former gaming licensee.

26 (b) If the lottery commission deems it warranted pursuant to this section, the lottery
27 commission, and only the lottery commission, may petition ex parte for a court order appointing a
28 conservator for the gaming location. The decision to file such a petition is discretionary with the
29 lottery commission, and in determining whether such a petition shall be filed, the lottery commission
30 shall consider, at any time following issuance of an order revoking or suspending a gaming licensed
31 or upon the failure or refusal to renew the gaming license:

32 (1) The nature of the violation which resulted in the revocation, suspension,
33 surrender, or lapse;

34 (2) The ability and actions taken, if any, for a removal by licensees in good standing
35 of persons who committed the violation;

36 (3) The involvement during a proposed conservatorship in any operation of the
37 establishment of persons whose licenses were revoked, suspended, surrendered, or lapsed;

1 (4) The economic impact of closure of the gaming operations upon the community in
2 which the establishment is located;

3 (5) The economic impact of closure of the gaming operations upon the state of New
4 Hampshire;

5 (6) The prior efforts, if any, to sell the establishment;

6 (7) The involvement, if any, of undisclosed interests in the establishment;

7 (8) The presence, if any, of a publicly traded holding company and the public trading
8 that would occur during a conservatorship;

9 (9) The current status of all fees and taxes applicable to the operation;

10 (10) The adequacy of existing financing for the operation, if continued, and the
11 suitability of the source of such financing;

12 (11) The impact upon public confidence and trust that gaming operations in New
13 Hampshire are conducted honestly, competitively and free from criminal and corruptive elements;

14 (12) The ownership of the gaming establishment premises or an interest therein by
15 persons other than the offending, surrendering or lapsed licensee;

16 (13) Any other matter material to a full and complete consideration of the particular
17 circumstances presented;

18 (14) The availability of 2 or more persons qualified and willing to assume the
19 position of conservator for the establishment in question, unless, in the opinion of the commission,
20 only one person is available who is qualified to serve, in which case the commission may name only
21 that person.

22 (c) The lottery commission may decline to petition for appointment of a conservator if
23 satisfied that because of any or all of the above considerations or for any other reason, a continuation
24 of the operation of the gaming location would not be in the best interest of the state, the gaming
25 industry, or both.

26 (d) The commission shall not petition for a conservator to continue gaming operations at
27 any establishment if:

28 (1) A rehearing has been granted by the commission to the licensee on the revocation
29 or suspension of his license and the rehearing has not been concluded;

30 (2) The gaming establishment has never been in operation and opened to the public;

31 (3) The gaming establishment is, or reasonably appears to be, insolvent; or

32 (4) Gaming operations ceased at the establishment for any reason prior to
33 revocation, suspension or lapse of an essential license.

34 (e) A conservator shall, before assuming managerial or operational duties, execute and
35 file a bond for the faithful performance of its duties payable to the lottery commission with such
36 surety and in such form and amount as the lottery commission shall approve.

37 (f) After issuance of an order to appoint a conservator, the former or suspended gaming

1 licensee may not exercise any of its privileges, collect or receive any debts or pay out, sell, assign, or
2 transfer any of its assets to anyone without prior approval of the appointed conservator and the
3 lottery commission.

4 (g) A conservator shall not distribute earnings of the gaming establishment to the
5 former licensed owners thereof, until deduction is made for:

6 (1) All amounts payable under this chapter;

7 (2) The costs of the conservatorship, including compensation and expenses incurred
8 by the conservator and those engaged by the conservator to aid in the conservator’s duties, then due
9 and owing;

10 (3) Amounts deemed necessary by the conservator for continuing the operation of the
11 establishment, including, but not limited to, bankroll, salaries, and foreseeable operating expenses;

12 (4) Amounts deemed necessary by the conservator to preserve the assets of the
13 gaming establishment; and

14 (5) A reserve fund sufficient, in the determination of the conservator, to facilitate
15 continued operation in light of pending civil litigation, disputed claims, contractual obligations,
16 taxes, fees, and any other contingency known to the supervisor which may require payment by the
17 establishment.

18 (h) During the period of conservatorship, the commission shall, as applicable, initiate
19 proceedings under this chapter to award a new gaming license to a qualified applicant whose gaming
20 location shall be located at the site of the preexisting gaming location. An applicant for a new
21 gaming license shall be qualified for licensure under this chapter; provided, however, that the lottery
22 commission shall determine an appropriate level of investment by an applicant into the preexisting
23 gaming establishment and upon award of a new gaming license, the new gaming licensee shall pay
24 the original licensing fee required under this chapter.

25 (i) Following the sale, assignment, conveyance, or other disposition in bulk of all the
26 property subject to a conservatorship and the payment of any obligations to the state and political
27 subdivisions pursuant to this chapter, the lottery commission will conduct a hearing to determine
28 the distribution of the remaining assets.

29 (j) The lottery commission may issue an order to discontinue a conservatorship when:

30 (1) The lottery commission determines that circumstances requiring the
31 appointment of the conservator no longer exist; or

32 (2) The conservator has, with the prior approval of the lottery commission,
33 consummated the sale, assignment, conveyance, or other disposition of all the assets or interest of
34 the former gaming licensee relating to the gaming license.

35 284-B:26 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C.
36 sections 1171-1178. Pursuant to section 2 of an act of Congress of the United States entitled “An Act
37 to Prohibit Transportation of Gambling Devices in Interstate and Foreign Commerce,” designated

1 as 15 U.S.C. sections 1171-1178, the state of New Hampshire, acting by and through the duly elected
2 and qualified members of its legislature, does hereby, in accordance with and in compliance with the
3 provisions of that section 2 of that act of Congress, declare and proclaim that it is in the state's best
4 interest to benefit from limiting gambling device revenues but prevent the proliferation of gambling
5 devices by limiting approved facility locations and therefore that section 2 of that act of Congress
6 shall not apply to any gambling device in this state where the transportation of such a device is
7 specifically authorized by and done in compliance with the provisions of this chapter and any rules
8 adopted pursuant to it, and that any such gambling device transported in compliance with state law
9 and rules shall be exempt from the provisions of that act of Congress.

10 284-B:27 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state
11 of gaming devices, the registering, recording, and labeling of which has been duly made by the
12 manufacturer or dealer in accordance with sections 3 and 4 of an Act of Congress of the United
13 States entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign
14 Commerce," designated as 15 U.S.C. sections 1171-1172, shall be deemed legal shipments into this
15 state.

16 284-B:28 Gaming Study Commission Established.

17 I. There is established a gaming study commission consisting of members as follows:

- 18 (a) Three members appointed by the governor.
19 (b) One member appointed by the president of the senate.
20 (c) One member appointed by the speaker of the house of representatives.
21 (d) The commissioner of the department of resources and economic development, or
22 designee.
23 (e) The executive director of the lottery commission, or designee.
24 (f) The director of the racing and charitable gaming commission, or designee.
25 (g) The attorney general, or designee.

26 II. The terms of the members shall commence upon their appointment and continue through
27 the date on which the report of the commission is delivered as provided in paragraph IV. The
28 commission shall elect a chairperson from its membership. The commission shall meet at the call of
29 chairperson who may call a meeting as often as necessary. Five commissioner members shall
30 constitute a quorum and action shall be taken by a majority of the members present when there is a
31 quorum.

32 III. The commission shall review the operation of the gaming location by the gaming licensee
33 authorized pursuant to this chapter and shall evaluate the economic and regulatory impact of such
34 operations and the competitive conditions in the gaming industry then existing. In addition, the
35 commission shall study:

- 36 (a) The capacity of the lottery commission as constituted under existing law to carry out
37 the provisions of this chapter; and

1 (b) The respective duties of the lottery commission and the racing and charitable gaming
2 commission to determine whether any changes to the organization of the 2 agencies are necessary to
3 provide for the efficient and effective administration of the responsibilities currently assigned to each
4 agency. Based upon such review, the commission may make such findings and recommendations as
5 it determines appropriate, including with respect to the need for additional legislation and whether
6 additional licenses should be issued for gaming locations under this chapter and under what
7 conditions; provided.

8 IV. The commission shall make a report, together with its findings, recommendations, and
9 any proposed legislation, to the governor, the president of the senate, the speaker of the house of
10 representatives, and the chairs of the house and senate finance and ways and means committees
11 within 2 years of the date on which the gaming location authorized under this chapter becomes
12 operational; provided that the commission shall make interim reports together with any findings,
13 recommendations, and proposed legislation with respect to any matters that it determines require
14 legislative or administrative action in fiscal year 2014.

15 284-B:29 Fund Established.

16 I. There is hereby established a special fund to be known as the north country economic
17 development fund. The fund shall consist of moneys from the net machine income generated by
18 video lottery machines as prescribed in RSA 284-B:22. The fund shall be managed by the state
19 treasurer and the committee in paragraph II, shall be nonlapsing, and shall be continually
20 appropriated for the purposes of this chapter.

21 II.(a) Use of the fund shall be solely for supporting job creation, economic stability, and other
22 activities which improve the standard of living of residents of the north country. The fund
23 distribution will be managed by a committee consisting of 5 public members from the north country,
24 3 appointed by the governor, one appointed by the speaker of the house, and one appointed by the
25 president of the senate.

26 (b) The members appointed under subparagraph (a)(1) shall serve 2-year terms.

27 III. For the purposes of this section, the north country shall consist of the upper 1/3 of the
28 state of New Hampshire, provided that the committee appointed pursuant to paragraph II shall
29 develop and propose legislation for consideration in the 2015 legislative session that shall further
30 define the term “north country” and further specify the purposes and procedures that shall apply to
31 the management of the north country economic development fund.

32 284-B:30 Prohibitions on Certain Political Contributions.

33 I. In this section:

34 (a) “Candidate” means any person publicly declared as such and for whom votes are
35 sought in an election, as defined by RSA 664:2, but shall not include a person seeking nomination or
36 election to any federal public office.

37 (b) “Contribution”, “political committee”, “political party”, and “independent

1 expenditure” shall be defined as in RSA 664:2.

2 (c) “Dependent person” means a person who is: an employee or co-employee of a licensee
3 or applicant for a license; an employee or co-employee of a person affiliated with a licensee or
4 applicant for a license; or an enterprise or firm, or an officer, director, partner, owner, or principal
5 employee of an enterprise or firm, that is a party to any contract with, or is bidding for or seeking to
6 enter any contract with, or regularly represents or provides services to, a licensee or applicant.

7 (d) “Money” means cash or instruments that are convertible to cash in any negotiable
8 currency.

9 (e) “Person” means an individual, limited liability company, proprietorship, firm,
10 partnership, joint venture, syndicate, business trust, labor organization, company, corporation,
11 association, committee, government entity, or other legal entity.

12 (f) “Public official” means any person holding the office of governor, executive council,
13 state senator, state representative, county commissioner, county treasurer, county attorney, county
14 sheriff, county register of deeds, or local town or city office.

15 (g) “Solicitation” means a request, suggestion, or recommendation made to a particular
16 person, by any means of communication, that the person make a contribution; provided, however,
17 that a statement to a person expressing support for or opposition to the election of any candidate, or
18 support for or opposition to any political organization, which is made without reference to a
19 contribution, or a statement intended for and given public dissemination encouraging all persons to
20 make contributions to any candidate or political organization, is not a solicitation.

21 (h) “Thing of value” means: an item of real, personal, or intellectual property that may
22 be converted into money by selling it or pledging it as security for a loan or other advance of funds; a
23 loan of assets, property, personnel, or facilities for use by a candidate or political organization, such
24 as, without limitation, office space, automobiles, telephones or telephone services, or the time and
25 effort of employees or consultants who are paid by the person making the contribution; a personal or
26 professional service that is not incidental to the expression of a person’s ideological beliefs or
27 membership in a political organization, and that has a value to the candidate or political
28 organization; a non-reimbursed expense that is not incidental to the expression of a person’s
29 ideological beliefs or membership in a political organization, and is of the type normally incurred by
30 the candidate or political organization; or any thing, service, expense or other item of value similar to
31 that identified in this paragraph.

32 II. Licensees or applicants for a gaming license, close associates to a licensee or applicant, or
33 any holding, intermediary or subsidiary company or any dependent person thereof; or any officer,
34 director, gaming licensee key employee or qualifier of any of these companies; a person who holds at
35 least a one percent interest in the gaming licensee or applicant, the spouse or children of a licensee
36 or applicant, or any person or agent acting on behalf of any of these companies or persons or persons
37 affiliated therewith are prohibited from making contributions of money or things of value to public

1 officials or candidates for public office and political organizations in New Hampshire; nor shall the
2 above mentioned offer or give to a candidate or public official or his or her spouse, his or her parent,
3 brother, sister, or child or spouse of such child or a business with which he or she is associated,
4 anything of value, including, but not limited to, a gift, loan, political contribution, reward, or promise
5 of future employment.

6 III. Licensees or applicants for a gaming license, close associates to a licensee or applicant,
7 or any holding, intermediary or subsidiary company or any dependent person thereof; or any officer,
8 director, gaming licensee key employee or qualifier of any of these companies; a person who holds at
9 least a one percent interest in the gaming licensee or applicant, the spouse or children of a licensee
10 or applicant, or any person or agent acting on behalf of any of these companies or persons or persons
11 affiliated therewith, shall not make a contribution to a candidate or committee through a legal entity
12 that is established, directed, or controlled by the persons described in this paragraph.

13 IV. No candidate or public official shall solicit or accept from a licensee or applicants for a
14 gaming license, close associates to a licensee or applicant, or any holding, intermediary or subsidiary
15 company or any dependent person thereof; or any officer, director, gaming licensee key employee or
16 qualifier of any of these companies; a person who holds at least a one percent interest in the gaming
17 licensee or applicant, the spouse or children of a licensee or applicant, or any person or agent acting
18 on behalf of any of these companies or persons or persons affiliated therewith anything of value,
19 including but not limited to, a gift, loan, political contribution, reward, or promise of future
20 employment.

21 V. This prohibition is designed to protect the public interest in both the fact and the
22 appearance of the independence of the political process, and the insulation of the government
23 institutions that are responsible for the supervision of the gaming industry, from the uniquely
24 powerful economic force that is presented by that industry. The protection of these interests is
25 critical to the maintenance of public confidence and trust in the regulation of gaming in New
26 Hampshire.

27 VI. Violators of these prohibitions shall be guilty of a violation and shall be punished by a
28 fine not to exceed \$20,000 per illicit donation, plus the amount of each illicit donation, and penalties
29 and sanctions by the lottery commission.

30 3 New Section; Lottery Commission; Administration of Video Lottery. Amend RSA 284 by
31 inserting after section 21-v the following new section:

32 284:21-w Administration of Video Lottery and Table Games. The lottery commission shall
33 administer and enforce the provisions of RSA 284:B.

34 4 New Sections; Department of Safety; Gaming Enforcement Unit Established. Amend RSA 21-
35 P by inserting after section 7-c the following new sections:

36 21-P:7-d Division of State Police; Gaming Enforcement Unit.

37 I. There is established within the division of state police a gaming enforcement unit under

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1 the supervision of the commissioner of the department of safety. Notwithstanding RSA 106-B:15,
2 the unit shall:

3 (a) Investigate violations of RSA 284-B and the rules adopted under the provisions of
4 RSA 284-B, and initiate proceedings before the lottery commission for such violations. The unit shall
5 report the results of any investigation conducted to the lottery commission.

6 (b) Participate in any hearing conducted by the lottery commission.

7 (c) Investigate crimes which may involve a violation of RSA 284-B that occur at a
8 gaming location.

9 II. The commissioner of the department of safety shall organize the unit as the
10 commissioner deems necessary. The commissioner of safety may employ such state police personnel
11 as the commissioner deems necessary to fulfill the responsibilities of the unit.

12 21-P:7-e Enforcement Expenditures. The governor and council, upon request from the
13 commissioner of the department of safety, may authorize the transfer of general funds as necessary
14 to the department of safety to implement and enforce RSA 21-P:7-d and RSA 284-B.

15 5 New Section; Racing and Charitable Gaming Commission; Duties. Amend RSA 284 by
16 inserting after section 6-a the following new section:

17 284:6-b Duties of the Racing and Charitable Gaming Commission. The racing and charitable
18 gaming commission shall:

19 I. Provide to the lottery commission, attorney general, or division of state police gaming
20 enforcement unit, all records pertaining to the licensing of a pari-mutuel licensee to the extent a
21 pari-mutuel licensee is an applicant or gaming location relevant to the lottery commission's approval
22 process under RSA 284-B within 30 days after the racing and charitable gaming commission receives
23 a request. All records provided to the lottery commission shall be confidential in accordance with
24 RSA 284:B-16.

25 II. Notice of the contents of any information or data released, except to a duly authorized
26 law enforcement agency pursuant to paragraph I, shall be given to any applicant, registrant, or
27 licensee in a manner prescribed by the rules adopted by the racing and charitable gaming
28 commission.

29 III. Any charity that held charitable games in New Hampshire in accordance with RSA 287-
30 D or RSA 287-E during the fiscal year ending June 30, 2012, ("FY 12") shall be eligible to receive an
31 adjusted charitable benefit as follows:

32 (a) The racing and charitable gaming commission shall determine the total net revenue
33 awarded to each charity from charitable gaming events held in accordance with RSA 287-D and
34 RSA 287-E during FY 12. This amount shall be called the "base charitable benefit."

35 (b) Within 60 days of the close of a fiscal year in which a gaming licensee has operated
36 video lottery machines and table gaming pursuant to RSA 284-B, the racing and charitable gaming
37 commission shall determine the total net revenue awarded to each charity from charitable gaming

1 events held in accordance with RSA 287-D and RSA 287-E for that fiscal year. This amount shall be
2 called the “annual charitable benefit.”

3 (c) For each charity eligible under this paragraph, the racing and charitable gaming
4 commission shall determine if the base charitable benefit exceeds the annual charitable benefit for
5 the previous fiscal year. If the base charitable benefit exceeds the annual charitable benefit, the
6 difference shall be called the “adjustable annual charitable benefit” and the racing and charitable
7 gaming commission shall notify the lottery commission and the gaming licensee of the amount of the
8 adjusted annual charitable benefit.

9 (d) Within 20 days of receipt of such notice, the gaming licensee shall pay the adjusted
10 annual charitable benefit of each eligible charity to the racing and charitable gaming commission

11 (e) Within 10 days of receipt of the adjusted annual charitable benefit, the racing and
12 charitable gaming commission shall pay the adjusted annual charitable benefit to each eligible
13 charity.

14 (f) The payment due under this section shall not be subject to offsets or credits.

15 (g) To the extent the gaming licensee has operated video lottery machines and table
16 games for only a portion of a fiscal year, the adjusted annual charitable benefit amount for that year
17 shall be proportionally pro-rated.

18 (h) If a charity eligible under this paragraph stops engaging in charitable games under
19 RSA 287-D and RSA 287-E for over a year any time after the opening of the gaming licensee, such
20 charity shall no longer be eligible to receive an annual charitable benefit.

21 IV. The racing and charitable gaming commission shall adopt rules, under RSA 541-A,
22 relative to the calculation, collection, and distribution of the adjusted annual charitable benefit
23 consistent with this section.

24 6 Restriction on Gambling. RSA 284:17-c is repealed and reenacted to read as follows:

25 284:17-c Restriction on Gambling. Except as provided in the introductory paragraph of
26 RSA 284:22, RSA 284:22-a, and RSA 284-B, no licensee who holds running horse races shall at the
27 same facility hold any other kinds of races or permit any other type of gambling except harness horse
28 races and activities licensed by the lottery commission or the racing and charitable gaming
29 commission.

30 7 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:22 by inserting
31 after paragraph V the following new paragraph:

32 VI. The commission may issue a special license to a person holding a gaming license under
33 the provisions of RSA 284-B, provided the gaming location has an existing liquor license. Such
34 special license shall allow the sale of liquor and beverage within the gaming location, including
35 dining room, function room, gaming room, lounge, or any other area designated by the commission,
36 without regard to whether meals are served therein, but only during the time gaming is being
37 conducted under RSA 284-B and subject to the same hours of sale as all other on-premises licenses

1 pursuant to RSA 179:17, II(b).

2 8 New Subparagraph; Authorized Video Lottery Machines. Amend RSA 647:2, V by inserting
3 after subparagraph (c) the following new subparagraph:

4 (d) Video lottery machines and table games authorized pursuant to RSA 284-B.

5 9 Rehabilitation of Problem Gaming. Amend RSA 172:2-a to read as follows:

6 172:2-a Program Established. The commissioner shall provide for the scientific care, treatment,
7 and rehabilitation of **gambling**, alcohol and drug abusers, and work towards the prevention of, and
8 assist in the control of, alcohol and drug abuse within the state through education, treatment,
9 community organization, and research.

10 10 Rehabilitation of Problem Gaming. Amend RSA 172:8 to read as follows:

11 172:8 Duties of Commissioner. The commissioner shall:

12 I. Study the problems presented by **gambling**, alcohol and drug abuse, including methods
13 and facilities available for the care, treatment, custody, employment, and rehabilitation of persons
14 who are **problem gamblers**, inebriates, alcohol abusers, drug dependent, or drug abusers.

15 II. Promote meetings and programs for the discussion of **gambling**, alcohol and drug
16 dependency and abuse for the guidance and assistance of individuals, schools, courts, and other
17 public and private agencies.

18 III. Conduct, promote and finance, in full or in part, studies, and other appropriate facilities
19 dealing with the physical, psychological, and/or social aspects of **gambling**, alcohol and drug abuse.

20 IV. Have the authority to accept or reject for examination, diagnosis, guidance, and
21 treatment, insofar as funds and facilities permit, any resident of the state who comes to the
22 commissioner voluntarily for advice and treatment.

23 V. [Repealed.]

24 VI. Render biennially to the governor and council a report of his activities including
25 recommendations for improvements therein by legislation or otherwise.

26 VII. Coordinate community medical resources for the emergency medical care of persons
27 suffering acute mental or physical reaction to **gambling**, alcohol, or drugs and of persons suffering
28 from drug dependency.

29 VIII. Employ such assistants as may be necessary to carry out the purposes of this chapter,
30 in accordance with state personnel regulations, and within available appropriations and funds.

31 IX. Disseminate information on the subjects of **gambling**, alcohol and drug abuse for the
32 guidance and assistance of individuals, schools, courts and other public and private agencies.

33 X. [Repealed.]

34 11 Problem Gaming Added. Amend RSA 172:8-a to read as follows:

35 172:8-a Confidentiality of Client Records. No reports or records or the information contained
36 therein on any client of the program or a certified **gambling**, alcohol or drug abuse treatment
37 facility or any client referred by the commissioner shall be discoverable by the state in any criminal

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1 prosecution. No such reports or records shall be used for other than rehabilitation, research,
2 statistical or medical purpose, except upon the written consent of the person examined or treated.
3 Confidentiality shall not be construed in such manner as to prevent recommendation by the
4 commissioner to a referring court, nor shall it deny release of information through court order
5 pursuant to appropriate federal regulations.

6 12 Problem Gaming Added. Amend RSA 172:8-b to read as follows:

7 172:8-b Rulemaking. The commissioner shall adopt rules under RSA 541-A relative to the
8 following:

9 I. The acceptance, care, and treatment of **gambling**, alcohol or drug dependent persons and
10 alcohol or drug abusers who are clients of the program established under this chapter or a certified
11 substance abuse treatment facility.

12 II. A fee schedule and collection of fees under RSA 172:14, IV.

13 III. Certification of **such** substance abuse treatment facilities including, but not limited to:

14 (a) Program content;

15 (b) Qualifications of program staff; and

16 (c) Type of substance abuse treatment offered.

17 IV. Certification and recertification of **gambling**, alcohol and drug abuse counselors
18 including, but not limited to:

19 (a) Peer review of applicants.

20 (b) Minimum qualifications and competency.

21 (c) Education and continuing education.

22 (d) Experience required.

23 (e) Required knowledge of **gambling**, alcohol and drug abuse counseling.

24 (f) Such other matters as the commissioner may deem necessary to carry out the
25 purposes of this chapter.

26 V. Voluntary admissions under RSA 172:13.

27 13 Acceptance of Funds; Treatment of Problem Gamblers. Amend RSA 172:9 to read as follows:

28 172:9 Acceptance of [~~Grants~~] **Funds**. The commissioner is authorized to accept in the name of
29 the state special grants or money or services from the federal or state governments or any of their
30 agencies and may accept gifts to carry on the functions provided for in this chapter.

31 14 Education Trust Fund; Proceeds. Amend RSA 6:12, I(b)(65) to read as follows:

32 (65) Money received under RSA 77-A, RSA 77-E, RSA 78, RSA 78-A, RSA 78-B, RSA
33 83-F, **RSA 284-B:19, VIII** and from the sweepstakes fund, which shall be credited to the education
34 trust fund under RSA 198:39.

35 15 New Subparagraph; Special Fund. Amend RSA 6:12, I(b) by inserting after subparagraph
36 (315) the following new subparagraph:

37 (316) Moneys received for the university system of New Hampshire and community

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1 college system of New Hampshire higher education fund established under RSA 284-B:22, I(a)(1)(B).

2 16 License Proceeds to Lottery Commission. Amend RSA 284:21-j, I to read as follows:

3 I. The state treasurer shall credit all moneys received from the lottery commission and all
4 moneys received from the racing and charitable gaming commission under RSA 284, ***RSA 284-B:13,***
5 ***I,*** RSA 287-D, and RSA 287-E, and interest received on such moneys, to a special fund from which
6 the treasurer shall pay all expenses of the commission incident to the administration of this
7 subdivision and all administration and enforcement expenses of the racing and charitable gaming
8 commission under RSA 284, RSA 287-D, and RSA 287-E. Any balance left in such fund after such
9 expenses are paid shall be deposited in the education trust fund established under RSA 198:39.

10 17 New Subparagraph; North Country Economic Development Fund. Amend RSA 6:12, I(b) by
11 inserting after subparagraph (315) the following new subparagraph:

12 (316) Moneys deposited in the north country economic development fund established
13 in RSA 284-B:29.

14 18 Reallocation of Previously Allocated Funds. The funds in the amount of \$250,000 previously
15 allocated by the general court for the purpose of adopting rules governing gaming, pursuant to the
16 recommendation of the New Hampshire Gaming Study Commission, shall be re-allocated to the
17 lottery commission to be used by the lottery commission to hire staff and consultants for the purpose
18 of adopting rules pursuant to RSA 284-B.

19 19 Authority and Duties of Police Employees. Amend RSA 106-B:12 to read as follows:

20 106-B:12 Authority and Duties of Police Employees. Police employees shall be ex-officiis
21 constables throughout the state, shall patrol the highways, enforce the highway traffic laws and
22 regulations, enforce the motor vehicle laws relative thereto and enforce regulations relative to the
23 transportation of hazardous materials, pursuant to RSA 106-A:18 and RSA 106-B:15, and the
24 director, division of state police, shall report to the director, division of motor vehicles, all violations
25 of and prosecutions under the motor vehicle laws. ***Police employees shall enforce the rules of***
26 ***the lottery commission pursuant to RSA 284-B and any violations of the criminal statutes***
27 ***occurring within the premises or on the grounds of any establishment licensed under***
28 ***RSA 284-B including parking lots and outdoor areas or while in pursuit of such violator or***
29 ***to assist in an investigation of such a violation.*** Police employees shall have general power to
30 enforce all criminal laws of the state and to serve criminal processes and make arrests, under proper
31 warrants, in all counties. They shall not serve civil processes. No police employee shall act, be used
32 or called upon for service within any town in any industrial dispute unless actual violence has
33 occurred therein, and then only upon order of the governor. When any police employee shall
34 apprehend any person who has committed or attempted to commit a felony the director shall
35 immediately make a report to the attorney and the sheriff of the county in which the offense was, or
36 was suspected of being, committed and such cases shall be investigated and prosecuted by said
37 county officials with the cooperation of said police employees.

1 20 New Paragraphs; Gaming Offenses. Amend RSA 647:2 by inserting after paragraph I-b the
2 following new paragraphs:

3 I-c.(a) A person who, during a game in a gaming location licensed by the lottery commission,
4 knowingly and by any trick or sleight of hand performance or by a fraud or fraudulent scheme, cards,
5 dice, or other gaming device, for himself, for another or for a representative of either:

6 (1) Wins, or attempts to win, money or property; or

7 (2) Reduces, or attempts to reduce, a losing wager in said gaming location shall be
8 guilty of cheating and swindling.

9 (b) A person who knowingly uses a cheating and swindling device or game in a gaming
10 location licensed by the lottery commission shall be guilty of cheating and swindling.

11 (c) A person who commits the offense of cheating and swindling shall be punished as
12 follows:

13 (1) A person is guilty of a class A felony if the value of the money, property, or wager
14 cheated and swindled is \$75,000 or more, and in the case of a person other than a natural person, by
15 a fine not to exceed \$100,000.

16 (2) A person is guilty of a class B felony if the value of the money, property, or wager
17 cheated and swindled is \$10,000 or more but less than \$75,000, and in the case of a person other
18 than a natural person, by a fine not to exceed \$100,000.

19 (3) A person if guilty of a class A misdemeanor if the value of the money, property or
20 wager cheated and swindled is \$1,000 or more but less than \$10,000, and in the case of a person
21 other than a natural person, by a fine not to exceed \$20,000.

22 (d) Each episode or transaction of swindling and cheating may be the subject of a
23 separate prosecution and conviction. In the discretion of the state, multiple episodes or transactions
24 of swindling and cheating committed as part of a single scheme or course of conduct may be treated
25 as a single offense and the amounts involved in acts of swindling and cheating committed according
26 to a scheme or course of conduct, whether by the same person or several persons, may be aggregated
27 in determining the value of money, property, or wager involved in the offense.

28 (e) A gaming location licensee, or an employee of a gaming location licensee, who, in a
29 gaming location, knowingly:

30 (1) Conducts or operates any game using a cheating and swindling device or game;

31 (2) Displays for play a cheating and swindling game; or

32 (3) Permits to be conducted, operated or displayed, any cheating and swindling
33 device or game shall be guilty of a class B felony, and in the case of a person other than a natural
34 person, by a fine not to exceed \$100,000.

35 I-d.(a) Whoever possesses a cheating and swindling device or game, with the intent to
36 defraud, cheat, or steal, shall be guilty of a class A misdemeanor, and in the case of a person other
37 than a natural person, by a fine not to exceed \$20,000.

1 (b) Knowing possession of a cheating and swindling device or game within a gaming
2 location shall constitute prima facie evidence of an intent to defraud, cheat, or steal, except
3 possession by a gaming licensee or an employee of a gaming licensee, acting lawfully in furtherance
4 of such person's employment within the casino, and shall constitute a class B felony.

5 I-e. Whoever manufactures, distributes, sells, or services a gaming device, in violation of this
6 chapter or regulations adopted under this chapter and for the purpose of defrauding, cheating, or
7 stealing from a person playing, operating, or conducting a game in a casino, shall be guilty of class B
8 felony, and in the case of a person other than a natural person, by a fine not to exceed \$20,000.

9 I-f. Any device, game, or gaming device possessed, used, manufactured, distributed, sold, or
10 serviced in violation of this chapter shall be subject to seizure and forfeiture.

11 21 New Subparagraph; Gaming Offenses. Amend RSA 647:2, V by inserting after subparagraph
12 (c) the following new subparagraph:

13 (d) A gaming location approved and licensed by the lottery commission under
14 RSA 284:B.

15 22 New Paragraph; Gaming Offenses. Amend RSA 647:2 by inserting after paragraph VI the
16 following new paragraph:

17 VII.(a) Whoever, being under 21 years old, plays, places wagers at or collects winnings from,
18 whether personally or through an agent, a game in a gaming location licensed by the lottery
19 commission shall be guilty of a violation level offense and shall be punished by a fine not to exceed
20 \$1,000.

21 (b) Whoever, being a gaming location licensee by the lottery commission or an employee
22 of a gaming location licensee, who knowingly allows a person under the age of 21 to play, place
23 wagers at, or collect winnings from a game in a gaming location licensed by the lottery commission,
24 whether personally or through an agent, shall be guilty of a class B misdemeanor and shall be
25 punished, for a first offense, by a fine not to exceed \$1,200, and in the case of a person other than a
26 natural person, by a fine not to exceed \$20,000 and, for a second or subsequent offense, shall be
27 guilty of a class A misdemeanor, and in the case of a person other than a natural person, by a fine
28 not to exceed \$20,000.

29 (c) Whoever knowingly plays, places wagers at, or collects winnings from a game in a
30 gaming location licensed by the lottery commission for or on behalf of a person under 21 years of age
31 shall be guilty of a class B misdemeanor and shall be punished by a fine of not more than \$1,200 for
32 the first offense, and, for a second or subsequent offense, shall be guilty of a class A misdemeanor,
33 and in the case of a person other than a natural person, by a fine not to exceed \$20,000.

34 23 New Paragraph; Lottery Commission; Duties and Rulemaking; Management of Electronic
35 Gaming. Amend RSA 284:21-i by inserting after paragraph VI the following new paragraph:

36 VII. The New Hampshire lottery commission shall make rules to manage all electronic
37 gaming activity through the use of a central monitoring system which shall further connect to the

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1 current lottery central system to provide reporting continuity as well as central invoicing. The
2 central system provider shall not be a slot or video lottery machine manufacturer, subsidiary of a slot
3 and video lottery machine manufacturer, or agent of a slot and video lottery machine manufacturer
4 that provides or intends to provide slot or video lottery machines to the New Hampshire lottery
5 commission or the state of New Hampshire.

6 24 Effective Date. This act shall take effect January 1, 2015.

LBAO
14-2553
12/24/13

HB 1627-FN-A-LOCAL - FISCAL NOTE

AN ACT relative to video lottery and table gaming.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill, **as introduced**, at this time. When completed, the fiscal note will be forwarded to the House Clerk's Office.